



CITY OF  
**PORTLAND, OREGON**

**OFFICIAL  
 MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **3RD DAY OF DECEMBER, 2003** AT 9:30 A.M.

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

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

Items No. 1362 and 1363 were pulled for discussion and, on a Y-5 roll call the balance of the Consent Agenda was adopted.

<b>COMMUNICATIONS</b>	<b>Disposition:</b>
<p><b>1346</b> Request of Jada Mae Langloss to address Council regarding reinstatement of Tri-Met bus passes for some of Dignity Village residents (Communication)</p>	<b>PLACED ON FILE</b>
<p><b>1347</b> Request of Absolom Tamar Stiletto to address Council regarding his mission to carry forward the banner of peace (Communication)</p>	<b>PLACED ON FILE</b>
<b>TIME CERTAINS</b>	
<p><b>*1348 TIME CERTAIN: 9:30 AM</b> – Create one new fund in FY 2003-04 effective December 3, 2003 (Ordinance introduced by Mayor Katz) (Y-5)</p>	<b>178069</b>
<p><b>*1349</b> Adopt the Fall FY 2003-04 supplemental budget in the amount of \$68,945,800 and make budget adjustments in various funds (Ordinance introduced by Mayor Katz) (Y-5)</p>	<b>178070</b>
<p><b>*1350</b> Adopt budget adjustment recommendations and the Minor Supplemental Budget for the FY 2003-04 Fall Budget Adjustment Process and make budget adjustments in various funds (Ordinance introduced by Mayor Katz) <b>Motion to accept technical amendment to exhibit of the bump adjustment:</b> Moved by Commissioner Saltzman and seconded by Francesconi. (Y-5)</p>	<b>178071</b> AS AMENDED

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<p><b>1351 TIME CERTAIN: 10:00 AM</b> - Recognize recipient of the 2003 Lowenstein Trust Award (Presentation introduced by Mayor Katz)</p>	<p align="center"><b>REFERRED TO COMMISSIONER OF FINANCE AND ADMINISTRATION</b></p>
<p><b>1352 TIME CERTAIN: 10:15 AM</b> – Adopt Bureau of Purchases FY 2002-03 Annual Report and direct its implementation (Resolution introduced by Mayor Katz)  (Y-5)</p>	<p align="center"><b>36186</b></p>
<p align="center"><b>CONSENT AGENDA – NO DISCUSSION</b></p>	
<p><b>1353</b> Statement of cash and investments October 23, 2003 through November 19, 2003 (Report; Treasurer)  (Y-5)</p>	<p align="center"><b>PLACED ON FILE</b></p>
<p><b>1354</b> Vacate the Plat of Columbia Villa and all public streets within the Plat of Columbia Villa, under certain conditions (Ordinance by Order of Council; VAC-10014)</p>	<p align="center"><b>PASSED TO SECOND READING DECEMBER 10, 2003</b></p>
<p><b>1355</b> Vacate a certain portion of the Alley in Block 34, Portsmouth under certain conditions (Second Reading Agenda 1326; Ordinance by Order of Council VAC-10010)  (Y-5)</p>	<p align="center"><b>178046</b></p>
<p align="center"><b>Mayor Vera Katz</b></p>	
<p><b>1356</b> Reappoint Chris Lassen to the Housing Authority of Portland Board of Commissioners for a term to expire December 10, 2007 (Resolution)  (Y-5)</p>	<p align="center"><b>36185</b></p>
<p><b>*1357</b> Pay claim of James Ladd (Ordinance)  (Y-5)</p>	<p align="center"><b>178047</b></p>
<p><b>*1358</b> Create one Office Support Specialist II position in the Bureau of Parks and Recreation (Ordinance)  (Y-5)</p>	<p align="center"><b>178048</b></p>
<p><b>*1359</b> Approve an Intergovernmental Agreement with the County of Multnomah for a limited United States Supreme Court Filing (Ordinance)  (Y-5)</p>	<p align="center"><b>178049</b></p>
<p><b>*1360</b> Extend Legal Service Agreement with Preston Gates Ellis, LLP, for outside counsel (Ordinance; amend Contract No. 34486)  (Y-5)</p>	<p align="center"><b>178050</b></p>
<p><b>*1361</b> Extend Legal Services Agreement with Brown Reavis &amp; Manning for outside counsel (Ordinance; amend Contract No. 34620)  (Y-5)</p>	<p align="center"><b>178051</b></p>
<p><b>*1362</b> Amend City Code on Drug-Free Zones hearing standard regarding Appeal and Variances to the standard of proof of preponderance of evidence (Ordinance; amend Code Section 14B.20.060A8)  (Y-5)</p>	<p align="center"><b>178067</b></p>
<p><b>*1363</b> Amend City Code on Prostitution-Free Zones hearing standard regarding Appeal and Variances to the standard of proof of preponderance of evidence (Ordinance; amend Code Section 14B.30.060A8)  (Y-5)</p>	<p align="center"><b>178068</b></p>

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<p><b>*1364</b> Accept a \$40,000 grant from the Oregon Association Chiefs of Police for a DUII Traffic Safety Grant (Ordinance) (Y-5)</p>	<p align="center"><b>178052</b></p>
<p><b>*1365</b> Accept a \$40,000 grant for seatbelt enforcement from the Oregon Association Chiefs of Police and Oregon Department of Transportation (Ordinance) (Y-5)</p>	<p align="center"><b>178053</b></p>
<p><b>*1366</b> Authorize agreement with Emmanuel Community General Services, Inc for use of Local Law Enforcement Block Grant funds (Ordinance) (Y-5)</p>	<p align="center"><b>178054</b></p>
<p><b>*1367</b> Authorize agreement with Youth Gangs Outreach Program with the Northeast Coalition of Neighborhoods, Inc. to address crime prevention with the 2003 Local Law Enforcement Block Grant (Ordinance) (Y-5)</p>	<p align="center"><b>178055</b></p>
<p align="center"><b>Commissioner Jim Francesconi</b></p>	
<p><b>*1368</b> Apply for a \$114,177 grant from the Land &amp; Water Conservation Fund to construct a 1450 foot segment of the 40-Mile Loop trail and rehabilitate an existing boat launch near Kelley Point Park (Ordinance) (Y-5)</p>	<p align="center"><b>178056</b></p>
<p><b>*1369</b> Grant an easement to PacifiCorp to supply electrical power within the Rose City Golf Course (Ordinance) (Y-5)</p>	<p align="center"><b>178057</b></p>
<p><b>*1370</b> Authorize agreement with URS Corporation to provide planning, urban design and traffic analysis for the Sandy Boulevard Resurfacing and Streetscape Project (Ordinance) (Y-5)</p>	<p align="center"><b>178058</b></p>
<p><b>*1371</b> Authorize an Intergovernmental Agreement with Oregon Department of Transportation to reconstruct the traffic signal at SE 82nd Avenue and Powell Boulevard (Ordinance) (Y-5)</p>	<p align="center"><b>178059</b></p>
<p><b>*1372</b> Accept a grant for \$100,000 from Oregon Department of Transportation to create new traffic safety data system and increase coordination among traffic safety partners to reduce traffic related injuries and fatalities (Ordinance) (Y-5)</p>	<p align="center"><b>178060</b></p>
<p align="center"><b>Commissioner Randy Leonard</b></p>	
<p><b>*1373</b> Grant a temporary revocable permit to AT&amp;T Wireless Services of Oregon, Inc. and establish terms and conditions (Ordinance) (Y-5)</p>	<p align="center"><b>178061</b></p>

<b>Commissioner Dan Saltzman</b>	
<p><b>*1374</b> Authorize the continuance of negotiations for the purchase of easements required for the South Airport Sanitary Trunk Sewer Project Phases 3A, 2A and 5 and authorize the City Attorney to commence condemnation proceedings, if necessary, and obtain early possession (Ordinance)</p> <p>(Y-5)</p>	<b>178062</b>
<p><b>*1375</b> Authorize an Intergovernmental Agreement with King County, Washington, for City of Portland, Bureau of Environmental Services inspection of pipe fabrication by Hanson Pipe and Products for the Denny Way/Lake Union Combined Sewer Overflow Control Project (Ordinance)</p> <p>(Y-5)</p>	<b>178063</b>
<p><b>*1376</b> Authorize agreement for conveyance of one property in the Johnson Creek floodplain from Gary Zytniowski and one property from Bonnie Brunkow Olson to the Bureau of Environmental Services (Ordinance)</p> <p>(Y-5)</p>	<b>178064</b>
<p><b>1377</b> Authorize a contract and provide for payment for the construction of water mains in the Kings Heights Mains Package (Second Reading Agenda 1336)</p> <p>(Y-5)</p>	<b>178065</b>
<b>Commissioner Erik Sten</b>	
<p><b>*1378</b> Authorize Intergovernmental Agreement with Portland Public School District No. 1 for \$439,850 for the Home Repair Training Program and provide for payment (Ordinance)</p> <p>(Y-5)</p>	<b>178066</b>
<b>REGULAR AGENDA</b>	
<b>Mayor Vera Katz</b>	
<p><b>*1379</b> Authorize agreement for Lloyd Business District Management Services between the City and Lloyd B.I.D., Inc. (Ordinance)</p> <p>(Y-5)</p>	<b>178072</b>
<p><b>*1380</b> Extend Lloyd Business District property management license (Ordinance; amend City Code Chapter 6.06)</p> <p>(Y-5)</p>	<b>178073</b>

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<p><b>*1381</b> Adopt the Second Amendment to the North Macadam Urban Renewal Plan to establish authority to acquire the Doubletree Hotel at SW 3rd and SW Lincoln Avenue, including by condemnation if necessary (Ordinance) (Y-5)</p>	<p><b>178074</b></p>
<p style="text-align: center;"><b>Commissioner Jim Francesconi</b></p> <p><b>1382</b> Consider vacating a portion of SW Caruthers Street west of SW 6th Avenue, at the request of Terwilliger Plaza, Inc. (Hearing; Report; C-9997) <b>Motion to adopt the report and prepare an ordinance:</b> Moved by Commissioner Francesconi and seconded by Commissioner Saltzman. (Y-5)</p>	<p style="text-align: center;"><b>APPROVED; CITY ENGINEER PREPARE ORDINANCE</b></p>
<p><b>1383</b> Create a local improvement district to construct street improvements in the SW 19th Avenue Local Improvement District (Second Reading Agenda 1323; C-10004) (Y-5)</p>	<p><b>178075</b></p>
<p style="text-align: center;"><b>City Auditor Gary Blackmer</b></p> <p><b>1384</b> Approve the appointment of members to the Citizen Review Committee for Independent Police Review (Previous Agenda 1344) (Y-5)</p>	<p><b>36187</b></p>

At 12:53 p.m., Council recessed.

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**WEDNESDAY, 2:00 PM, DECEMBER 3, 2003**

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

**December 4, 2003**

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **4TH DAY OF DECEMBER, 2003** AT 2:00 P.M.

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

At 3:21 p.m., Council recessed.  
At 3:30 p.m., Council reconvened.

Commissioner Leonard arrived at 3:36 p.m.  
Commissioner Saltzman arrived at 3:37 p.m.  
Commissioner Saltzman left at 4:19 p.m.

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

<b>1385</b> TIME CERTAIN: <b>2:00 PM</b> – Honor recipients of the Spirit of Portland Award (Presentation introduced by Commissioner Leonard)	<b>Disposition:</b> <b>PLACED ON FILE</b>
<b>1386</b> TIME CERTAIN: <b>3:30 PM</b> – Adopt the South Corridor Project Downtown Portland Mall Segment Locally Preferred Alternative Report and Recommendations and the South Corridor Land Use Final Order (Resolution introduced by Commissioner Francesconi)  (Y-4)	<b>36188</b>

At 4:14 p.m. Council adjourned.

GARY BLACKMER  
Auditor of the City of Portland

By Karla Moore-Love  
Clerk of the Council

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

**December 3, 2003**  
**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.

**DECEMBER 3, 2003            9:30AM**

\* \* \* [ Roll call ]

**Katz:** We'll sit and wait until we have an official quorum, a four-person quorum.

**Katz:** Ok. Let's start with communications. 1346.

**Item 1346.**

**Katz:** Jada? Are you here? Ok. 1347.

**Item 1347.**

**Absolom Tamar Stiletto:** Good morning. To all -- how's my hair, by the way? Ok. Good. To all the true vision elements in the united states government, I bid you one and all grace and peace be multiplied. I wish you and -- a good laugh, chuckles and to all per dishes element that's fester behind a yellow -- yellow cotton candy veils, the walls of butter colored computer screens. You've got the torries on the run. They are so humiliated, they were ordered by you all to keep clear from me. I continue to reap and enjoy your prudence and recourse in peace and harmony and continue to continue to make it plain to the bomb nations and harlots that we shall overcome. As is proof I remain free, traipsing, smiling, and eating, eating is the -- Portland is and was the garden of eden. I imagine myself in a pink boa wrapped around my head, arms held out, yearning to embrace you and enjoy any love you have. Merry christmas to all you, to all your homes, peace and imminent eternal love and happiness and heaven with the lord. Now to all you unisex, clog-wearing, freedom usurping under the guys of civil liberties, you say in your hearts, because you don't say to us, the true christian people to our faces, you sit as queen -- see no sorrow, I also known as martinez, a mexican-american and king of israel's tribes on earth until kingdom come and most delightedly and enthusiastically enjoy dishes out all the -- of the mind, that you can handle to your circuits overload, and -- you are afraid of me, one mexican-american flying to australia at a break -- out of bakersfield. You want proof, fly me out. You'll have proof. You know it. I rule you. We the people of men and color rule you. Ok. I am your sorrow in the flesh, walking amongst you informing you to repent for the kingdom heaven is at hand. This country will be destroyed as babylon will be destroyed the president knows I speak the truth, and everything else. Want proof, concrete proof, fly me out. Why are -- our elements confiscating my -- you are afraid of me, one man of color and valor. The africans, pacific islanders, men of color in all walks of my life are proof you can't incarcerate me. We are your sorrow in the flesh. We have all the true christians of all races, mixes, colors and our white brethren. So long as you suffer from dilutions and exaggerated stance of your own importance, you can never really love your neighbors.

**Katz:** Thank you. Could I do something? I don't want to offend you, but next time you come here, since you've been here several times, you have the art of some very interesting putting some very interesting words --

**Stiletto:** I speak the truth.

**Katz:** Just a minute. Very interesting words together. Would you come next time and write little haiku versus, very short verses with your thoughts?

**Stiletto:** I have three minutes, I care to enjoy them all, but i'd take that into consideration. I like my format the way it is.

**Katz:** Ok. Sit down. Jada, come in. Thank you. See you next week.



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**Stiletto:** Yes, ma'am, i'll be here.

**Katz:** Ok. All right. Consent agenda. I've taken off 1362 and 1363. I'm not sure "the Oregonian" got the story totally accurate, so i've given an opportunity for folks who actually were in court to tell us what happened. Any other items to be removed off the consent agenda? Ok. There is an item -- we're going to take a vote, but I need to clarify. This i've been asked to clarify it. On a pay claim of james ladd, item 1357, I want to clarify that the settlement amount is being paid for the city's potential liability, and not for the individual liability of the two officers who were involved in the assault. Those individual officers are not released by this settlement. Ok? Roll call on consent agenda.

**Francesconi:** Thanks for that explanation, mayor. Aye.

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

**Katz:** Mayor votes aye. [gavel pounded] all right. Let's take item 1362 first.

**Item 1362 and 1363.**

**Moore:** Amend city code on drug-free zones hearing standard regarding appeal and variances to the standard of proof of preponderance of evidence.

**Katz:** Why don't you take 16 -- it's the same issue on that one as well.

**Moore:** 1363, amend city code on prostitution-free zones hearing standard regarding appeal and variances to the standard of proof of preponderance of evidence.

**Katz:** Ok. David and jim, why don't you come on up. Rosie, did you want to come up? Why don't you come on up, because I want to thank you for what's going on. Ok. Who wants to start?

**David Worboril, Office of the City Attorney:** Good morning, commissioners, mayor. This monday judge marcus of the circuit court here in Multnomah county issued an opinion in which he indicated that the standard that our hearings officers used to review appeals from drug-free and prostitution-free zone exclusions was inadequate. The current standard in judge marcus's opinion focused too much on whether or not the belief of the city in its officers, that a person had engaged in a crime in the drug or prostitution-free zone, he believed that focus was inappropriate and that the focus should be on whether or not in fact the person committed an offense in one of the zones. I submitted to council some new language to change the standard that the hearings officers can use in the future to rule on these appeals to filter those appeals. The new standard is the work horse of the civil system, and it is preponderance of the evidence. The standard proposed is that the city must establish by preponderance of the evidence that the person committed one of the listed offenses in one of the zones. Judge marcus would not and he shouldn't have, wouldn't tell us if this new standard will pass muster with him. From conversation with him, we anticipate that it will, and we're confident that this is an adequate standard to protect the procedural rights of people who are excluded from the zones. I can answer questions -- it was complex, the litigation was complex there. Were many challenges brought against the drug and prostitution-free zones. The ones the judge did not support is not the right word, but didn't find merit, didn't use in his opinion, didn't use to make his decision, probably would have been fatal to the city's ability to use the zones at all. The flaw that he found is one that we can fix, and we suggest that council in fact make this change to improve the zones.

**Katz:** Ok. Jim, your lifetime career is dealing with this issue in the courts.

**\*\*\*\*\*:** Well, I --

**Katz:** Identify yourself, who you are.

**Jim Hayden, Neighborhood Deputy District Attorney:** Jim hayden, neighborhood d.a., north and northeast Portland, deputy d.a. I want to emphasize the point that mr. Woborill made, which is -- this is the part that's overlooked, what we're reading in the newspapers is that the drug-free zone ordinance is flawed, that there's an unconstitutional piece to it, which we're here to correct. And it should be corrected in compliance with what judge marcus asked. But the other challenges to the ordinance, judge marcus found it constitutional on many grounds. He denied the challenges that it

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violates the right to travel, and these are all facial challenges to the ordinance. He didn't rule an individual couldn't come in and claim some individual rights were violated, but this was a facial challenge. So facially the rights to travel, to association, equal protection of the laws, etc., he denied those challenges. He found two in particular that he was concerned about, one is this procedural due process which I agree with david, this change would fix that problem he foresaw. The other was a little more technical, but it was a preemption argument, that there's a state statute that does not allow the city to regulate use of controlled substances. And to the extent that the city or police officer excludes someone from a drug-free zone for using as opposed to possessing drugs, we wouldn't be able to do that. This amendment would fix both problems, because if the review to the code hearings officer is by preponderance of the evidence a person committed a drug offense, it has to be a drug offense of possession or dealing, etc. It can't be use, that's not a drug offense. So this amendment would fix both of those infirm advertise, judge marcus noted.

**Leonard:** What's the difference between use and possession?

**Hayden:** Good question, and frankly, it's one that we bantered back and forth. I think judge marcus looked at it in these terms -- possession is in your hand. Or it's in your needle. Use is you've taken it from your needle and put 90 your arm and there's nothing left in the needle. If you arrested someone for injecting substances from a needle and there's still drugs left in the needle, that would be possession. But if there's nothing left in the needle, I think the judge viewed that as use. And to the extent that the ordinance allowed someone to be excluded for use, that was prohibited by state law.

**Leonard:** How do you ordinarily apply that provision?

**Hayden:** In the drug-free zones do you mean? No, it would be -- ordinarily it would be applied -- someone seen with a needle injecting, maybe they're seen with drugs in a balloon in their mouth and they swallow. To the extent those people are excluded from the zones, they would have a right to appeal. If they are -- I think the word now would be, this is not something -- this is not a good practice any longer. To the extent they are, they could appeal, and the appeal would be by preponderance of the evidence did that person commit a drug offense. And of course use is not a drug offense, but if there's something that we can test, or testify that it was drugs, that would be a valid exclusion. That's the way I would see it. If that makes sense.

**Katz:** Further questions?

**Saltzman:** I guess jim or commander sizer or david, give us an example how you would defend an appeal now under this new standard versus the old standard.

**Worboril:** I think the officers will try to present cases in the same way they have been presenting cases. The hearings officers will look at them differently, and that's really the principle difference between what has been going on and what will go on if council adopts the new standard. The bar will be raised some for the evidence the officers bring into court.

**Saltzman:** So how would a preponderance of evidence that the actual offense was committed as opposed to a preproposed ordinance of evidence that there's probable cause?

**Worboril:** To believe the offense was committed. The judge correctly I think noted that the focus of the current standard is on the city's understanding of the situation. Probable cause is a thought process, it's a conclusion, I guess, of a thought process that the city goes through, the officer first and eventually the city goes through in determining whether a certain thing happened or not. And the judge didn't want the focus to be on whether or not the city's thinking was reasonable, the judge wanted the focus to be on whether in fact the crime was committed. And we have a hearings officer here today who might be able to speak to the difference. They are sensitive to a difference between these standards, and I would guess probably relieved that they can look just straight at whether the offense was committed, rather than dealing with what exactly is probable cause, was the officer's thinking subjectively reasonable, was it objectively reasonable as well. That was a more

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complicated analysis. It probably -- it's probably a lower standard of proof. This will be I think a simpler analysis at a higher standard of proof.

**Saltzman:** And this standard is now consistent with civil procedures?

**Worboril:** This is the work horse of the civil system. This is how most civil cases are resolved.

**Katz:** Rosie, did you want to add -- are you going to give different instructions, or do you want to add to that?

**Rosie Sizer, Portland Police Bureau:** Only upon legal advice or information we get from the hearings officers about what cases are being accepted and what exclusions will be thrown out. But officers will continue to make drug arrests in the time honored traditions they have, which include officers posing as drug buyers who would buy from a drug dealer, officers also witness hand-to-hand exchanges of drugs for money, and they make arrests out of that. Officers also encounter people on the street, strike up conversations, sometimes get consent to search, and then find drugs secreted in the clothing or on the bodies of drug dealers or drug users in the drug-free zones. So none of that will change in my estimation.

**Leonard:** I need -- I need an example of a case that would under this new standard be unconstitutional and what would have to occur to make it constitutional according to the judge's ruling.

**Sizer:** I think the -- there's a particular way that we have been excluding people that may be the one that is changed by this standard. And that has to do -- officers can be out on patrol and they see someone who they believe is possessing or dealing drugs. It's not uncommon for these folks to have secreted the drugs in their mouth, or upon seeing the officer, secrete the drugs in their mouth. And then try to swallow. And one of the things that we have been doing is that has -- knowing who the people are, what kind of behaviors drug dealers engage in, we have been issuing exclusions in some cases for someone who doesn't -- who swallows what we think are controlled substances.

**Leonard:** But you didn't know for sure?

**Sizer:** Sometimes we'll see it, we'll see rocks of quo cane or balloons containing what we think are controlled substance. What we try not to do is actually take those people to an emergency room and have them pass the substance through their system, because that's very expensive and very time consuming. So we have been issuing exclusions based on that.

**Leonard:** Is that specifically what the judge ruled was unconstitutional?

**Sizer:** I have no idea.

**Worboril:** The judge ruled the filter that the hearings officers used to look at a case like that was inadequate. The standard was too low.

**Leonard:** But explain that to me.

**Worboril:** In a case like that, we would argue that the officer had probable cause to believe that drugs had been possessed. And the focus --

**Leonard:** Excuse me. I'm not asking what you would argue. You're asking me to amend an ordinance based on a ruling from a judge. I'm asking you to tell me what kind of case went before the judge that the judge ruled unconstitutional and give me an example of that. And how the new standard would apply in a circumstance like that.

**Worboril:** This was a facial challenge. Meaning that the particulars of -- there were many, many criminal defendants who combined their cases and brought them before the judge. It was a facial challenge, meaning that the judge wasn't looking at the particulars of any of their circumstances. Rather, looking at the law, and as an abstract, determining whether the law on its face, without any particular application, could stand as a matter of constitutional law. So he listened to challenges about whether it violate add fundamental right to travel. He determined how strictly he should construe it, how hard he should force the city to establish that it was using the least intrusive means, for instance.

**Leonard:** Was there a specific case he was ruling on?

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**Worboril:** No. He was just --

**Leonard:** It was a group of cases.

**Katz:** Right.

**Worboril:** What he did is looked at the text of the code and applied the precedents in the field, and determined whether he thought it was constitutional on its face.

**Leonard:** Give me an example of something that would have been brought before the judge that under his ruling would now be unconstitutional, a traditional kind of case.

**Sizer:** This may be the one. I'm thinking the swallowing case, when we don't actually recover the substance from the person's body, because they've ingested it, we had in some cases been issuing those exclusions.

**Leonard:** Now what will you have to do?

**Sizer:** What we do will be dependent upon what the hearings officer indicates is appropriate for us to do. So the question I have for the attorneys is the, before actually we get a hearing about one of these cases, should we just discontinue issuing exclusions on those types of cases? I think other kinds of cases where we under cover buy drugs from a drug dealer and recover the drugs, or get consent search, or a probable cause search, and we recover the drugs, I would assume that those will be found to be appropriate in a hearing. It's the swallow cases that I think are --

**Leonard:** You agree with that?

**Worboril:** I do.

**Leonard:** Is it limited to that?

**Worboril:** It's limited to our weakest cases. As the standard of proof gets tougher, our weaker cases will be --

**Leonard:** I guess i'm trying to get to, what are the weaker cases? Is it just the swallowing? Are there other examples?

**Hayden:** I can't think of other --

**Katz:** Jim, can you?

**Saltzman:** What about the prostitution?

**Katz:** We'll get to that. Respond to the drug issue.

**Hayden:** I think the only cases, and I think there are very few, it would be a swallow case, or --

**Katz:** Jim, get the mike.

**Worboril:** That would be the swallow cases, or injection, but usually there's going to be something left, backwash from the needle will leave some substance in the needle, so you'd still have possession. Probably swallow cases are those -- and the point is not -- they're not per se unconstitutional. The hearings officer now will look at these and decide, was a crime committed. And that will be what the hearings officer --

**Leonard:** You're going to have to have evidence a crime was committed, and not that you observed --

**Hayden:** Yes. And without the controlled substance there's per se, it makes it much more difficult.

**Worboril:** The circumstantial evidence cases, say, for delivery, will be pushed harder by this standard. Officers are going to have to observe better, they'll have to document better, and they'll have to present the evidence of circumstantial -- in circumstantial cases more effectively in order to clear this hurdle. We have a couple of feedback loops working here. One is between the city and the courts as to how this code should be structured, and then the other is going to be between the hearings officer and the patrol officers as they apply the new standard. And we're going to learn what -- as a practical matter, only by experiencing opinions from the hearings officer, what the new standard really means on the street.

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**Leonard:** So this -- forgive me for asking these questions, it's the first time i've had this before me since i've been on council, but the issue here isn't whether or not somebody committed a crime, it's whether or not you can exclude them from a specific geographic area?

**Worboril:** In order to exclude, we now have to establish by preponderance of the evidence that they committed a crime.

**Leonard:** Then do you also charge them with that crime? That caused this ordinance to kick in?

**Worboril:** Sometimes, sometimes not.

**Leonard:** Why wouldn't you if you -- if you use the ordinance to exclude them, why wouldn't you charge them with the crime as well?

**Worboril:** It's not been made a requirement. The authority of the city to do this doesn't depend upon the city also having initiated a prosecution. The city asserts for itself the ability to do this regardless of whether or not we involve the prosecution material of the state.

**Hayden:** And, commissioner, to prosecute we decide on -- beyond a reasonable doubt level. Beyond a reasonable doubt can we prove in criminal court this crime occurred.

**Leonard:** Isn't that the standard the judge said you had to have to exclude them?

**Hayden:** No. That's the highest standard. In criminal court you use beyond a reasonable doubt. There's clear and convincing evidence that you say in termination of parental rights cases in juvenile court --

**Leonard:** But in criminal cases isn't it beyond a reasonable doubt?

**Hayden:** Yes.

**Leonard:** And you're saying that the judge said had you to meet that standard to --

**Katz:** No. You were talking about arresting them.

**Hayden:** He says we have to meet the civil standard. This has been determined by the courts to be -- by the Oregon court of appeals to be a civil sanction. And as a civil sanction, the preponderance -  
-

**Leonard:** So you could have evidence to exclude them that wouldn't necessarily rise to the level of being able to prosecute them.

**Katz:** Exactly.

**Hayden:** That's correct. Which boils down to, can we prove beyond a reasonable doubt.

**Leonard:** And the judge has ruled that way?

**Hayden:** Judge marcus? Yes, he has.

**Leonard:** Ok. Thanks.

**Francesconi:** I have --

**Katz:** I just want to -- we have a long agenda.

**Francesconi:** One question. What i'm surprised at a little bit is that we talked about this the first time, we had a long hearing about this. In fact, we had two long hearings about the standard of proof, and I think we were told, my recollection is, I haven't looked back at the record, that we didn't need preponderance on this. That was the legal advice I think we were given. Then we get one judge that makes -- i'm not saying it was the same people, then we get one judge that tells us that we were wrong, we don't appeal it, we come back and change it, which I think is the right thing to do. Why didn't we do this the first time around? Why wasn't the standard -- I know that's maybe an unfair question, except we debated it.

**Worboril:** In retrospect we sure wish we had. I don't know --

**Katz:** Can I ask you the same questions when you do things?

**Francesconi:** I'm part of it. I voted on it.

**Worboril:** I have -- I don't know why this standard was adopted. It's been some years, and I can't -  
- I personally wasn't involved, and I haven't been able to reconstruct what policy decision the council at that time made. Once it was in place, it was working and hadn't been successfully challenged.

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**Katz:** Jim, can you remember, you've been working on this --

**Hayden:** I think it started with the preponderance standard, when I look back. Somewhere in there. Yes, I have been working on it for a long time. It switched, and commissioner, I don't know why.

**Sten:** That's not accurate. With all due respect. I asked for that standard and you argued that it wasn't necessary.

**Hayden:** The preponderance standard? I don't recall it.

**Katz:** Ok.

**Sten:** That's why I didn't support this.

**Katz:** Ok.

**Leonard:** I'm sorry, I know we have a long agenda, but this is an important issue for me and I need to understand it. And I know there was probably discussion ad nauseam about what this was intended to accomplish when you originally passed it, but for my benefit, what are we doing by excluding people from one area who are drug addicts or dealers when we're simply pushing them to another area? Do we have any evidence that has reduced drug use or dealing, or any of those kinds of issues? Other than just having -- i'm not asking you to tell me how many people have been excluded from a certain geographic area, because i'm certain they pop up from that area to another area.

**Worboril:** Mr. Hayden can perhaps put numbers to this, but it's been the city's experience that there are -- in fact there isn't much displacement, that in fact there are certain parts of town that are structured in such a way that they are conducive to open-air drug dealing. It can't happen just anywhere, it's really tied to various infrastructure.

**Leonard:** But do you have evidence to that point?

**Worboril:** Yes. When we -- there was a great concern in some of the neighborhoods that the drug-free zone not be instituted next door, in the neighboring --

**Leonard:** Exactly.

**Worboril:** And a concern that the behavior would move. And they found that it didn't happen. That was --

**Leonard:** How did you document that? How do you know it didn't happen?

**Sizer:** When the ordinance was first adopted, 10, 11 years ago, the police bureau tracked activity of people we had excluded, what criminal activity they were involved in in a target period of time, and what we found is they weren't popping up, getting arrested for the same behavior on any kind of regular basis at all.

**Leonard:** So they're excluded for a given period of time?

**\*\*\*\*\*:** Yes.

**Leonard:** What happens at the end of that period of time?

**Sizer:** Then they're free to come back into the drug --

**Leonard:** Do they come back?

**Sizer:** Sometimes they do, sometimes they don't. There are people I have known who, the minute their exclusion is up they're back in the zone. There are other people that you just don't see again. So it's kind of a mixed bag in that.

**Leonard:** And then how about the users? Do they just simply go somewhere else to buy the drugs? Do we have any evidence that it's actually reduced the amount of use?

**Hayden:** We have the evidence that in the drug -- inside the drug-free zones, during the time they've been in operation, drug sales have -- possession and dealing has declined significantly.

**Leonard:** In the area, or total?

**Hayden:** In the zoning. Outside the zones, it has for possession cases, increased, and for delivery cases, decreased slightly. Whereas inside the zones decrease significantly.

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**Leonard:** So is there a correlation, then, between the increased use outside the zone and the exclusion within the zone?

**Hayden:** Whether the zones have pushed the use outside is difficult to know. We tracked the two zones, two initial zones in northeast Portland, the beach zone and alberta zone. We looked at those when they were first implemented. We looked at them a year before they were implemented and a year after. Inside the zones and in four equally sized neighborhoods exactly outside the zones to determine whether or not we were pushing things to the periphery. In fact, the areas just outside the zones, the number of arrests for possession and dealing decreased on average in the 30% -- inside the zones decreased an average in the 30% range, and outside they decreased also, but not as significantly. So there was no -- we couldn't find any statistical displacement. People talk all the time when you create a drug-free zone. They say, they've moved over here, and certainly we've seen hot spots pop up. There's no question that hot spots are created. There are -- they're also created when police employ drug missions, or pressure on an area. But we haven't been able to find statistically that it's taking and moving it somewhere else.

**Leonard:** And then has there been any attempt to connect those that have been excluded, offering of services to -- for addiction or --

**Hayden:** Can you say that again?

**Leonard:** Has there been any attempt to complete that loop? You've cited somebody for something you can't criminally arrest them for, but you recognize that they're users or dealers, and I would think the users would be the ones you want to target. Has there been any attempt to connect those specific people with services for treatment?

**Hayden:** Through the community court we have tried to do that. And I think that the neighborhood livability program list is another effort will, most of those people are excluded, and that's been an effort to working with the community court, to engage those people in treatment.

**Katz:** Commissioner Leonard, you and I heard that conversation yesterday where because of the cooperative work between the city and the county, at the entrance of the -- into the criminal justice system and to the jail system, those services are beginning now to connect with a lot of the folks that have been arrested. Whether it's housing, or treatment, or something to break that habit. I don't know if Rosie can identify some examples.

**Leonard:** Which is an excellent program, by the way.

**Sizer:** Not specifically. This is pretty much in its infancy, and it's partly predicated upon the county having a new program, and putting preference to those people who are getting arrested chronically. And so that --

**Leonard:** Aren't these the same population?

**Sizer:** In many cases the population that are committing livability crimes from petty theft to drug use or drug sales are excluded. Most of their criminality is because of their addictions. So if we can get these people who are -- who have real problems and who are a drain on all of the systems of government, it would be great.

**Katz:** Ok.

**Saltzman:** I have one question. How will this new standard of proof apply in terms of the bureau's issuance of exclusions under the prostitution-free zone ordinance?

**Hayden:** I don't -- I don't -- I don't think it's going to make as much difference, because the prostitution cases are made with the agreement, and ordinarily either you have an agreement to engage in a sex act for money, or you don't. Or the prostitute in some cases is engaging in unlawful prostitution procurement activity, which means she's on the street acting in a manner making certain number of contacts with passersby or motor vehicles that suggest that that's unlawful prostitution procurement. It certainly raises the standard again, was a crime committed. So it will change everything to that degree. Was this crime committed or was prostitution committed by a preponderance of the evidence. But it's not like the swallowing cases and the drug cases where you

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can easily see where that's going to be more difficult to establish by a preponderance. I don't know that it will change greatly the prostitution cases.

**Saltzman:** Were any of these challenges -- were they all related to the drug-free exclusion?

**Hayden:** I think. So maybe the defense lawyers can comment on that. I think so.

**Leonard:** Ok.

**Katz:** Anybody else want to testify? If not, roll -- you do? Come on up.

**Dan Handleman, Portland Copwatch:** Good morning. I'm dan handleman with Portland cop watch. I appreciate the opportunity to speak to this item. Would I have pulled it off the agenda myself if you hadn't done so.

**Katz:** I knew you would, that's why I did it.

**Handleman:** I've got to start by saying this is good, always, to see the standard of proof being raised on on the street justice being served. But i'm going to be cheeky and say, why is this standard for police misconduct for the citizen review committee still the reasonable person standard as opposed to preponderance of evidence, which is now the standard on drug-free zones? But related to that is the question that commissioner leonard brought up, that you're excluding people but not prosecuting them for these alleged crimes, and it's still -- it still doesn't resolve to me or the group the whole issue whether the zones are inappropriate way to deal with drug problems for one thing, or with crime in any way by excluding people from certain portions of the city. And especially because this weekend I think they're starting the exclusions from the i-405 corridor. I'm particularly concerned that this discussion is happening without a broader context of the idea of pushing people around and excluding their right to travel. And i'm not sure in the lawyer -- one of the lawyers who was involved in the cases here, I don't know if he's willing to testify, but i'm not sure exactly that what judge marcus ruled was properly reflected. My understanding was he only focused narrowly on this and he didn't really rule on any of the other constitutional issues, and he only focus order this one. There may be other issues the city should consider before continuing with the drug-free zones. The other thing too about the pushing people around and whether or not the drug arrests increased outside the drug free zones, it seems to me police officers probably concentrated in the drug-free zones looking for these crimes, and they're not as much willing to do that in areas where they can't exclude people. So it may be your statistics aren't right because you don't have the same kind of activity of the officers going after drug crimes, so you don't know that - - whether or not there's been an increase outside the zones. I think you'd have to make sure you have the same kind of activity by police officers in -- right outside the zone and in the zones to see whether you're just pushing the problem around. The last thing is, this is something we've heard a lot at cop watch, I don't know if it's still going o. But they were talking about times when people try to swallow drugs. We've heard cases where police officers put their fingers in people's mouths and try to see whether they have drugs in their mouth. We think that might be a little bit of a constitutional issue in itself. Thank you for your time. I'll be back for the citizen review committee later.

**Leonard:** I have a question of dan. I'm sorry for belaboring this, but this is an important issue. Just assuming that the answers I got are correct when I asked the question about pushing the problem around by excluding people, how do you then stand in front of a neighborhood association who has children who traverse the arterial that are frequented by drug dealers, users, about what you would propose to do --

**Handleman:** I understand what your question is. I think the thing is we have to pull back and look more at the war on drugs as whether that's the appropriate way to deal with this problem.

**Leonard:** But if this is part of the battle in the war on drugs, if this is -- that's what i'm saying, if you've assumed that what I was told was correct, that it is effective in actually overall reducing drug use and overall reducing drug dealing, what do you say to a neighborhood then that -- if you don't



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like this program, what you would do as an alternative to reduce drug dealing and use on the streets of the neighborhoods that their kids are growing up in?

**Handleman:** That's what i'm saying. We'd have to encourage them to get involved in the political process and decriminalize a lot of this stuff. Maybe people need treatment, maybe people need other alternatives to being pushed around and excluded from neighborhoods instead of making it illegal and making it a lucrative business to sell drugs on the streets, find a way to decriminalize it and maybe have -- legal eyes drugs in some way so there's not as much criminal activity involved --

**Leonard:** You can tell them that at my next neighborhood association meeting.

**Katz:** They can probably wait 10, 15 years for that, maybe, to occur. Thank you. Anybody else? If not, roll call on 1362.

**Francesconi:** Well, the drug and prostitution-free zones are important tools to make our neighborhoods better places to live and work. This amendment adds more constitutional protection to the individuals excluded, and therefore it should be done now and probably should have been done before. The change in policy that I think the police do need to make is now it does have to be probably a crime, not just what the officer believes. So therefore, I don't know how swallowing cases, how you get enough evidence. So if you want to do those, seems like you have to get the evidence. And so I think either you have to take them to the hospital or you have to not exclude those. But I would be interested to hear the hearings officer's opinion. Actually, i'm not so interested in hearing the hearings officer's opinion as I am the court's decision on that if we decide. But we do need as best we can to get the solid legal advice ahead of time and not count on the courts to tell us we're wrong. So thanks for your work on this. Aye.

**Leonard:** I am a person that is deeply concerned about individual constitutional rights and liberty, and i'm willing to vote against the popular wishes of the citizenry to adhere to those principles. But I do think that we have to also be creative in our attempts to eradicate dangerous behavior until Portland's neighborhoods and business areas. But it needs to be done properly and constitutionally. And I am frankly a little squeamish about this, but i'm willing to support it, and have faith that it's going to be -- this ordinance will be applied properly within proper constitutional restraints, not -- and i'd also like to see us be in the position where we ourselves, the police and the d.a.'s office recognize where we may go too far and our self fix problems that we think are constitutional, and always push the envelope to the edge until we tip over and some judge has to come in and say, you've gone too far. I think we should be doing a better job of defining those boundaries ourselves.

With those concerns and with faith that we'll be careful about how this is applied, I vote aye.

**Saltzman:** Aye.

**Sten:** I think it improves the ordinance, so i'll support it. I won't go on and on, but I think this is one where I hope we'll continue to do more work. I lose votes and i'm wrong all the time, in this case this has been a very frustrating subject for me because i've lost votes on the drug-free zones over this issue. I think the zone is a smart policy, it makes sense if you have a jail system that is incapable of holding people who are committing serious crimes, and are out the next day terrorizing neighborhoods using a civil trespass mechanism to give the police a way to get them off the street is terrific. Completely ignoring the separation of powers in our society, which is what this ordinance has done, repeatedly since we started it is not a good strategy and ultimately it waists money and legal time defending a basically simple philosophy. And I think that what I had said when I first wrote against this, my first month on the council, a 4-1 vote, I took a lot of heat because people thought I was soft on drugs. You cannot give the police officer the ability to accuse someone and punish them. If you exclude them, it's a punishment and that's what a judge should do. I support this today because it's a toughening of this standard, which i'm no lawyer, but I had no doubt was going to get tossed out, and we keep ratcheting it up. I think we could still consider making it that you don't get excluded until you get convicted of something. I think what you would find is there

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isn't anybody who is a serious problem in these zone that's doesn't have a record and doesn't have a history of exclusion. I think this is a better step, which is why i'm going to support it, but I have never understood why we're so steadfast on making the police officer the judge, because I don't think it's fair to the police officer and I don't think it's fair to the person on the street. Aye.

**Katz:** First a little bit of history. If you recall, 10 years ago we broke the mold. We took some risks. We did something that no other communities were doing. We learned from it and when we did learn from it, we made the changes. Commissioner Sten just hit on one of the critical issues. We don't have a support system in the criminal justice system all the time. They are not taken to jail. They are released. They are not prosecuted. They are released. And they come back into the neighborhoods over and over and over again. With the livability, neighborhood livability initiative, what you have, whether you like listing the top 35 or the top 50, you now have maybe for the first time the ability of the county and social services to provide the beginning of helping these individuals start a new life. For many of them, it may not be happening. It may not be doable, but at least the attempt is there. Because the criminal justice system just can't respond, won't respond to what's going on on the street all the time. Now, having said that, I want to thank the sheriff and the d.a.'s office for being very sensitive to what's been happening in some of our neighborhoods. I don't know how many of you traverse the old town chinatown and how many of you have been down there over the last couple months before the livability initiative, but it was frightening. And the emails and the phone calls we got certainly told us we needed to do something, and we needed to do something now. So thanks to the initiative by central precinct and commander sizer, and chief foxworth, and officer meyer, we've begun this initiative in the hopes not only to take the drug activity off the street, but begin to save some lives. Aye. [gavel pounded] thank you. 1363.

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

**Katz:** Mayor votes aye. [gavel pounded] thank you. Time certain. We are way off our schedule. 1348.

**Item 1348, 1349 and 1350.**

**Katz:** Why don't you read 1349 and 1350.

**Katz:** Are you -- sorry.

**Katz:** Mark, would you be kind enough to introduce the two ladies sitting next to you? Us -- because I don't think the council has met them.

**Mark Murray, Director, Financial Planning:** Mark murray, to my right is wendy lear, financial analyst, and beyond her is jennifer sims, your incoming budget director.

**Katz:** That's going to be the new mark when he leaves for p.d.c.

**Murray:** We will be brief, recognizing you are running behind now, so we have three actions, one to establish a new fund.

**Katz:** And I need an amendment for 1350.

**Murray:** That's correct.

**Katz:** All right. Go ahead.

**Murray:** So we'll have wendy talk about the new fund, and the major supplemental budget, then we'll bring up jordan to talk about the minor supplemental budget.

**Katz:** All right. Let's do 1348, then.

**Murray:** Ok.

**Katz:** Wendy, grab the mike. And identify yourself.

**Wendy Lear, Office of Management and Finance, Bureau of Financial Planning (BFP):**

Wendy lear, office of o.m.f., bureau of financial planning. This fund creates the private for hire transportation safety fund which allows us to implement the ordinance that you passed in august, creating a grant program for the purchase and installation of cameras in taxicabs. Since we have financial transactions to this fund, we need to create it first.

**Katz:** Ok. Everybody's all right with this? Ok. Move on to 1349.

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**Lear:** 1349 is the major supplemental budget for 68.9 million for 22 different funds. And it was reviewed at a public hearing by the tax supervising commission on november 19, and certified thereafter. And it's for the most part housekeeping transactions.

**Katz:** Ok. Questions on 1349? That was what we had in front of tax soup. Ok. 1350. Did you want to add anything, jennifer? Ok. Not yet. You will later, I hope. Jordan.

**Jordan Epstein, BFP:** Jordan epstein, financial planning, and 1350 is the -- do you want to say something about the amendment now?

**Katz:** Why don't do you that.

**Epstein:** The amendment is -- the detail of the 1350, there's one exhibit which is so the-called bump adjustment, these are the center codes and the counts which the dollars actually change. A couple of those centers in the counts --

**Katz:** Technical?

**\*\*\*\*\*:** Totally technical.

**Katz:** Ok.

**\*\*\*\*\*:** No change to dollars.

**Katz:** I'll take a motion on the amendment.

**Saltzman:** Move adoption.

**Francesconi:** Second.

**Epstein:** As far as the ordinance itself, there are two exhibits. The first one, the bump, those are funds in which the net change to the fund is zero or a decrease. There are 17 funds in that exhibit, there's a total -- the net change to those funds is a reduction of 30.8 million of which most of it happens in the water and water construction funds. They're reducing the capital program and debt requirements by about 34 million. The other big change in the -- in that bump ordinance if federal grants fund is receiving \$6.8 million, it's grant carryover, which distributes to bureaus which have those grants. The other exhibit is the minor supplemental budget. This is the is for funds in which there's an increase between zero and 10% of the total fund. The big change that -- overall, that change is an increase of \$26.3 million. The biggest change is in the general fund, which itself resources and requirements increase about \$16 million. If you want to spend the time, I can go through some detail in the general fund, or pick a part of it like the contingency requests, shall I just start in the general fund?

**Katz:** Go ahead.

**Epstein:** The main increase is beginning balance, which went up 5.6 million, which includes a true-up to the year-end status from last year and the reduction for encumbrances that were not carried over. Interagency resources increased by 1.2 million. Cash transfers, a couple hundred thousand. Federal grants transfers, grants to general fund bureaus increased -- these are carryovers - - 5.2 million, and other miscellaneous revenues over 1.8 million. The largest was -- we're getting from tri-met 983,000 for police -- transit police costs. We're also getting almost 4.6 million from Multnomah county to administer the personal income tax program. So that's new money that's coming in. And we're reduce our estimate of property taxes for this year by 2.7 million. Put it all together, our resources are going up just under 16 million. Here's what we're doing with it in this ordinance. We are carrying over encumbrances of just over 2 million. Initially we had budgeted 5.4 million for encumbrances. We're going to spend about two of that, the difference went into beginning balance. As I said, we're get ball game 5.2 million in grant carryover. Most of that is going into bhcd. It's the -- I can't think of the word -- cdbg grant, that money. We also have some contingency requests. We started with the contingency of just over 1.5 million. We have a number of requests almost all of which were the result of an ordinance that were already passed. Things like the off-leash dog areas, we're giving money to parks, it's coming out of the contingency, this is as a result of an ordinance you passed earlier. We had ordinances in licenses to pay retroactive costs of position and to support the creation of this new for hire transportation fund. Those dollars

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are being appropriated in this. We only have two new requests that weren't already approved by you, one is \$100,000 to support the city attorney's office for litigation costs in the e.l.i. Lawsuit. And the other was \$50,000 for a city holiday celebration in pioneer square.

**Katz:** That was requested by pioneer square.

**Epstein:** So with the changes that are in this ordinance, and we're saving \$400,000 for the winter bump because we're going to have to true up general fund overhead, and we need the money. With that, there is no more money left in general fund contingency.

**Katz:** And we have six months to go.

**Epstein:** That's correct.

**Katz:** That's why you're leaving for p.d.c., right?

**Murray:** This -- the rat jumping the ship kind of thing, perhaps. Our concern there, it severely reduces the flexibility of council if problems crop up between now and the end of june. So we're working very hard with drew and everybody else in the office to control. Another thing we might have to do, we're already seeing there may be further deterioration on the revenue side. We've talked to council a little bit about that. We'll be advising the bureaus to begin controlling your expenditures again, so we can help protect council through the end of the fiscal year.

**Katz:** I'm about ready after we get the financial forecast to make that recommendation to the rest of the bureaus. A, i'm very worried about nothing left in contingency for six months, and b, there's discussion for further possible expenditure of resources that we don't have, and we need to begin tightening the general fund bureaus as well as others to get ready for the next budget sigh k ok.

**Saltzman:** What was the remaining contingency? I missed that number. Zero?

**Murray:** Zero.

**Katz:** We had requested 14 -- how many millions of dollars of requests?

**Epstein:** About \$2.6 million.

**Murray:** It was a million dollars over what was -- \$1.1 million beyond what was available in contingency.

**Leonard:** Just for the audience, there's a distinction between the contingency fund and the reserve fund.

**Katz:** Yes.

**\*\*\*\*\*:** That's correct.

**Leonard:** And we have how much in the reserve fund?

**Murray:** In the reserve fund there's probably \$35 million.

**Katz:** But let me clarify, we have very strict policies on the use of the reserve --

**Leonard:** I didn't want the message being sent out that we don't have any money, in case some horrible thing happens.

**Katz:** No, no. This is money we have when things come up and the council makes a decision that they want to expend it before we start doing the budget. For that we have nothing. Some of you -- well -- never mind.

**Murray:** One quick point on the contingency. It's only 1.5 million out of 350 million general fund discretionary budget. That is extremely low, but council has been pretty good through the years being able to control that. This year's unusual.

**Katz:** Unusual. Ok. Thank you.

**Epstein:** I have a couple more things.

**Katz:** Go ahead.

**Murray:** The rest of the spending in the minor supplemental in the general fund is a result of the resolution you passed in september. We have a 10.6 million dollar requirement, three things -- we're transferring 5.4 million to governmental bond fund, to pay additional principal on the schools grant line of credit from last year. We're transferring a little over 4.3 million for the business license surcharge fund to buy down the 18 million business license surcharge. And in accord with

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our comprehensive financial management policy, we're giving 50% of excess program revenues to bureaus of police and fire. Police getting a little over 803,000, fire a little over 115,000.

**Katz:** And the police are using some of that money for the match for the cops overtime grant.

**Epstein:** Correct.

**Murray:** And fire is taking the same approach as one of their contingency requests.

**Epstein:** To fund that 10.6 million, we've made some pers reductions to general fund bureaus, what we had budgeted was a higher rate than what we need, so we're taking that savings back, and that's about 1.8 million. We also realized that other city funds are realizing lower personnel costs from pers, and some of them receive general fund transfers, so we're make something reductions of transfers to those funds. We're saving another 785,000. And lastly, we don't need to transfer as much money for our pension obligation debt as we needed, and we're reducing that transfer by 1.9 million. So by taking some money back, reducing transfers, and using additional beginning balance, we can fund everything the general fund needs.

**Katz:** Let me also recommend that you'll find your other funds, your enterprise funds, correct me if i'm wrong, with a little bit of extra flexibility, because of the pers resources being transferred. My recommendation would be not to spend it, but maybe think about helping reduce rates at the point that we deal with the budget.

**Murray:** You'll see some of those technical changes come through in the winter bump, and that's true for the enterprise funds. Transportation doesn't do very well, but --

**Katz:** You don't need to do the budget notes unless --

**\*\*\*\*\*:** Ok. It's up to you.

**Saltzman:** I think it's probably for tim -- tim grewe --

**Katz:** Tim? Come on up. Our outside auditor was very strong on recommending we bring in a comptroller position, and we put in a budget note saying it should happen by january 1, 2004. The response to the budget notes seems to say it's kind of in a drift mode. We're not going to have somebody on board by january 1, instead we're going to have a report to us in january, and it sounds like it's going to sort of roll over into the budget process and be one of those things that obviously drops off the table, because it's not as high priority as police, fire, parks, all the other important general fund things. Our outside auditor really flagged the lack of centralized accounting policies, procedures, the need for it, the need for somebody in this position, the council passed this budget note saying make it happen, and it doesn't sound like it's on a course to happen.

**Grewe:** Let me bring you up to date, commissioner. It is a little bit behind where we thought we were going to be at this point in time. I just reviewed the final draft of the report that came to my office, in fact jennifer sims was the lead person on completing that report. Briefings of the individual council members will begin as soon as next week, we're briefing bureau managers this week on it. Our intent is by the first of the year to be moving into a recruitment mode. So we are very serious about filling that position. The reason for the delay as we really need to take a step back and look at our overall approach to accounting in the city. And the auditor's encouraged that. What we found is an absence of policy, consistent policies and practices throughout the city. It will be this position -- so we actually laid out the policies and practices that need to be worked on. And so that will be the work plan for this new individual that's coming. We also need to analyze the relationship between that position and the accounting manager position. And we've done that. So we are very much prepared to begin recruitment for that position and fill it as quickly as possible.

**Saltzman:** So you will bring -- is this person -- are you going to bring to us new city code language -- language that will -- or it is up to this individual --

**Grewe:** We will be bringing code amendments that assigns responsibility and authority to this position.

**Saltzman:** This is coming in january now?

**\*\*\*\*\*:** I'm looking at jennifer right now.

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**Jennifer Sims, Director, Financial Planning:** I think January is a fair estimate of when we'd have the code language to you.

**Saltzman:** Ok. Thanks.

**Katz:** Ok. Further questions? Anybody want to testify? All right. Let's take a roll call on 1348.

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

**Katz:** Mayor votes aye. [gavel pounded] 1349.

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

**Katz:** Mayor votes aye. [gavel pounded] 1350.

**Francesconi:** I support this. Two brief comments. One is, I'm not going to belabor this -- there's a \$75,000 item in the bump that I don't approve, but I'm going to support this anyway because the majority of the council does. The second thing is, it was eluded to briefly by Mark -- because of some unfortunate circumstances and errors, transportation is stepping up again to kind of help with their pers savings in a way that is difficult for the bureau. So this is twice in a row. And we have some major needs there that we do have to address. Aye.

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

**Katz:** First of all, let me just clarify. No bureau was hurt by taking -- reallocating those pers. It would have been a small windfall if we kept them, so no bureau was damaged. Everybody -- anybody that received a general fund had to give that money back. Second of all, I want to thank the council for supporting, lowering, eliminating one of the surcharges that we placed on businesses in this community to help with our education by reallocating those dollars to eliminate that surcharge, pay it off early, and reduce the other one. So in effect, what we've really done, we've raised those taxes one time, and we have paid most of it off. And we could have done other things with the money, but I think it was our obligation to do that, since we're -- we are sitting in a recession, though we're coming out of it, but we're still deeply into job losses and as I said then, and I'm going to say now, if we had the money then, we would not have placed add tax, the surcharge on to help our schools. So we're still helping our schools, and we're paying off the surcharge. Aye. [gavel pounded] ok. 1351.

**Item 1351.**

**Katz:** This has been rescheduled for --

\*\*\*\*\*: It's still tentative for the 17th.

**Katz:** To we'll place it on the calendar on the 17th. Any objections? Hearing none, so ordered. [gavel pounded] all right. 1352.

**Item 1352.**

**Katz:** All right. Will it gives me great pleasure to bring Sue and let you know that when Sam Adams left my office, I took it upon myself to take a portion of that responsibility to work with Sue to make sure that would do -- we do what we all wanted to do with regard to assisting women-owned, minority contracts and emerging small business contracts. This is your annual report. You all know that the economy also made it more difficult for us to make those kinds of expenditures. And so we all had smaller budgets to do that, and you many see in the report that there is a 33% decrease in professional service contracting over the last two years. I know that because we cut those budgets. And a 72% decrease in construction contracting over the last five years, of course we don't count the big pipe on b.e.s. So we didn't -- we didn't have as many contracting opportunities, but that has not stopped us from our effort to make sure minorities and women share the economic pie. In fact, I know chair one of the committees and will be really pushing hard to begin to make changes in our policies. So with all of that, I'll leave it up to Sue to give you the details.

**Sue Klobertanz, Director, Purchases:** Thank you, Mayor. Sue Klobertanz, director of the purchases. Because of I'm, I'm going to cut my remarks shorter than I would otherwise. I think the Mayor has done a good job of setting the economic stage for as the backdrop of what I'm going to

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talk about. Bottom line, we -- during the last year we had limited or reduced resources that resulted in fewer contracting opportunities that result in fewer opportunities to achieve the type of contracting results we aspire to. That said, I have the pleasure of reporting some highlights of things that I think the city did very, very well. First of all, let me address local business utilization.

With regard to professional service contracts, 80% of all our professional service contracts were awarded to local businesses, and the definition of local business in this case includes businesses in clark county and the state of Oregon. So we're getting the dollars into the hands of our businesses within the state. On the construction side of the house, it was 98%. So those numbers are very, very exciting for us. With regard to subcontracting on construction contracts, which we've done a lot, put a lot of emphasis on, those numbers were up from the previous year. So 31% of all of the subcontracts reported and 27% of all the subcontracts dollars went to minority and women firms. Again, even though we had such a reduction in subcontracting opportunities, we were able to increase that percentage. Within formal construction awards to certified firms, we're right around 55 to 60% of the contracts going to those certified firms. Let me shift gears and talk about work force. We have -- our work force training and hiring program, we look at the percentage of hours worked by minorities and women, both in journeymen and apprentice categories. We had a 40% decline in the number of hours work order construction contracts. Fewer contracts, fewer hours worked. Even with that 40% decline in hours worked, we had over a 2% increase in the percent of hours worked by minorities and women on the city's construction jobs. So that percentage was just under 19%. So that -- we were able to hold the line if you will in a very bad economic situation. On the apprentice side, if you remember we require that 17% of the hours worked on city jobs be with apprentices, and again, even though we had a decrease in '02-03, we saw the percentage of minority and women apprentices increase last year. So until the bad economic times with fewer opportunities, we were able to either hold the line or increase the percentage of resources made available to minority and women, either as jobs or as contracts. Let me shift gears into what you find in the report. And i've briefed each of your offices, so I won't spend a lot of time here, but let me just take a second on professional service contracting to remind you that the '02-03 numbers that you see do not reflect the changes in the p.t.e. contracting rules that were effective july 1 of '03. So i'm expecting next year at this time when I come to council we'll see significant decrease in the amount of sole source contracting we're doing and p.t.e. contracting, and a significant increase in the amount of contracting with mwesb firms. I'm sure you may have heard from your various bureau that's all of the professional service contracting at the city is getting a lot more review and a lot more scrutiny. And I know the bureaus are enjoying all of that every day. Let's shift gears to the recommendations in the report. There are a number of changes recommended, many of which we indicated we can accommodate with current staffing and resources. I want to highlight six of those, because I think they're significant. First of all, sheltered market program. Because we've had so much less contracting, our opportunities in the sheltered market program have been limited. As a result, we bring contractors into the program, we had a four-year limit in terms of participation in the program, and they don't have very many opportunities. So the recommendation in the report before you indicates an extension of the program to a maximum of five years. So that -- the benefit to the contractors is that it allows more opportunities for them to get contracts and the benefit to the city is it provides for a larger base of contractors to choose from. So we believe that that's an appropriate recommendation. One of the recommendations has to do with the enterprise zone, particularly in north-northeast. The recommendation is that the bureau of purchases, along with -- and it will take some good work with the city attorney's office -- explore possible pilot projects in north-northeast as a result of their enterprise zone designation. I believe there's some opportunities there for some unique requirements either -- either with regard to for source hiring, hiring workers from within that enterprise zone, or with regard to subcontracting, hard subcontracting goals as a result of that federal designation. I don't think we've necessarily explored those thoroughly, so the

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recommendation is that we begin work on some pilot projects in that particular area. Inclusion of aspirational goals for subcontracting on construction contracts. What we're recommending is that although we do not have significant legal base to require hard goals in our construction contracting, that we would move to an aspirational goal and in -- for '03-04, we're recommending that that be 35% of all subcontracts be with minority and women firms, and that's based on our achievement in '02-03. So we were just over 30% in '02-03 in bad economic times, so as we begin to do more contracting, we believe we need to send the message to the contracting industry that we desire subcontracting opportunities with minority and women firms.

**Saltzman:** Is that going to be on a by project basis, by bureau --

**Klobertanz:** A citywide aspirational goals. And those carry no penalty with them, so if the contractor for whatever reason is award add contract and has zero mwbse participation, there would be no penalty. But it does send a very loud message.

**Katz:** And we did raise -- we had a long conversation about it, I don't want that to be used as a hammer for us if we fail, because it is -- it is a very high as inspirational goal, and we're going to aim for it. But for a variety of reasons, that might not all be possible.

**Klobertanz:** Another recommendation I believe is significant and does reflect a change in how we've been doing business has to do with evaluation committees one either professional service contracts or those construction contracts where we do not use a low bid, we use an alternative contracting process. Currently the language says all evaluation committees must have one member of the community from an organization outside of city government, and then a resident -- paren, ie, county industry, etc. The anecdotal data we get back from the community is that normally it is felt that that outside person is usually someone from another governmental agency, or someone who's already plugged into the system so the complaint is that our systems are closed, and the decisions are made even before the evaluation panel starts. In an effort to respond to that, the recommended change is that all evaluation committees must have one member of the community from outside of city government that is from the community, i.e., neighborhood associations, certified mwesb, etc., and it is important that the evaluation process be open and reflective of community values, diversity, neighborhood concerns, and project impact. The mayor can attest to the fact that there was significant discussion around this particular item, but we believe that adding one person from the community who brings with them the values of that community is important to open up the process so that we no longer have the appearance of a closed-loop system where decisions are made ahead of time.

**Saltzman:** So the -- I know this is an issue -- the i.e. Means it could be a neighborhood association, it could be mwesb, but it doesn't necessarily have to be.

**Klobertanz:** Correct. And -- it would be dependent on the project.

**Katz:** We had a long conversation on this, and quite frankly, I felt very strongly, as did the members of the committee, that sometimes we truly close the door because we think only people with technical information are qualified, and i've learned that people who may not have all the technical information but understand the project and are well informed in the community ask questions that nobody else will ask. And those questions have tremendous amount of value.

**Klobertanz:** An additional recommendation in the report that I think is significant is increasing the apprenticeship goal from 17% to 20%. I mentioned earlier that the city requires that contractors are on projects after certain sides provide 17% apprenticeship hours on the job. We didn't get close, we had somewhere over 13% last year because of the few hours worked. But in prior years, we've been as high as 19.5%. The 2000 census indicates that the current population of Portland is 22% noncaucasian and 51% female. We believe that our past experiences of having as high as 19% along with the new census data, leads to us a conclusion that it's time to raise that apprenticeship goal from 17% to 20%. And again, although the city did not meet the 17% goal this last year, a number of our partners for whom we do contract compliance did. So we know that it's possible.



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And finally, the last of the major recommendations I want to touch on has to do with construction projects greater than 5 million. We believe we should be setting the work force training in hiring goal, again, the -- both the hiring goal and apprenticeship goal based on availability numbers from boli, specific to the trades. So in other words, on some very large projects, we have much, much more opportunity to have a higher percentage of minority and women on the job than we do on smaller projects, and we ought to take advantage of that. In addition to those recommendations and the other ones that are in the report that we think we can do with our current resources, there are five items which when the draft first -- first draft of this report was written, I had requested funding from the contingency. General fund contingency, and it was my intent to come before council and ask for that midyear adjustment in funding. During the review of the draft, it became painfully obvious that that wasn't going to be possible, so this final report you have in front of you recommends that rather than ask you for a piecemeal funding decision, that the report recommends that those items be considered as part of the '04-05 budget process, and i'm hoping that that process and that review of those items not be as commissioner Saltzman just articulated, that it -- they're so small they fall off the table and they don't get any attention when compared to police and fire and parks. Briefly, what i'm asking for is a total of \$100,000 which would be used to, number 1, have an external review of a fair contracting and employment strategy. This strategy that we're basically following now is adopted seven years ago. We've tweaked it and refined it, and polished it every year as we bring our annual report to you, but quite frankly, I think it's time for some appreciate eyes, and to bring in someone who works throughout the united states in reviewing these kinds of programs to just help us make sure we've turned over every rock that's possible. We're asking for outside assistance to do post-project review of smaller construction specifications. What we're hearing from our smaller firms is that our specs are going on the street not always complete and not always clear, and the smaller firms quite frankly have more difficulty responding to the specifications that aren't very polished than larger firms that seem to have more ability to guess what it is the city wants, or be able to accommodate changes at the last minute. So rather than stop a project midstream, what we're asking for here is outside evaluation of some of our past specification and assistance to the construction bureaus to know how to better prepare the technical specifications for construction contracts. And then the other three items have to do with increased funding for technical assistance, support to approved training programs for minority and women, and sponsorship of construction industry job fairs. Basically what we're saying is, if we believe and require our contractors to do certain things, we ought to be assisting them, and this small amount of additional fund would go do that. So let me stop there, again, I want to say that even though there are things we can do better, even though we didn't hit all the targets, I think that during '02-03 we did a very good job of maintaining or increasing our utilization of minority and women contractors, and making the city's procurement process more clear and better, and I need to publicly thank my staff for all of their good work during very difficult times.

**Katz:** Thank you, sue. Good work. Questions by the council?

**Francesconi:** Who did you work with? I couldn't see in the report. Who's approved these recommendations? Which of the groups?

**Klobertanz:** We have an internal committee called the contract coordinating committee, the c-3, which has representatives from all of the major bureaus, council offices are notified as well as many of the smaller bureaus. And they reviewed the draft and provided feedback, and then the mayor's fair contracting and employment forum, which includes about 25 representatives from both majority and minority firms, professional service and construction firms and industry associations are represented on that group.

**Francesconi:** Did that second group approve all of the recommendations that are in the report?

**Klobertanz:** Yes.

**Francesconi:** Ok.

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**Klobertanz:** Well, I don't want to mislead you. There was not 100% total support for every single recommendation. On some of the recommendations, for example, the apprenticeship and the hiring of minority and women, I have some people who believe it's too low, and I have others who believe it's too high. So I think we reached a good compromise down the middle.

**Francesconi:** Is that 20% -- it is 20% minority, 15% women? Is that how you get to 35?

**Klobertanz:** No. There's two separate things. One has to do with subcontracting of minority and women firms, and that's the 35%. The other is the apprenticeship percentage, and that went to the 20%, and that's minority and women. I'm sorry, that's just all apprentices, and then we work with the contractors to maximize the number of minority and women apprentices.

**Francesconi:** Is the 35 lumped together, women and minorities, or separated out?

**Klobertanz:** I have indicated with the aspirational goals -- let me find the did I tail. We were -- what the aspirational goal of 35% for subcontractors, we were saying 15% minority, 15% women and 5% e.s.b.'s. But again, there's no penalty, so those are just targets that we would reach for.

**Francesconi:** Are there enough women -- i'm showing my ignorance. Is there an adequate number of women to meet that, women-owned firms?

**Klobertanz:** Yes. They are not all certified, we're working toward getting some of those firms certified, but actually I was quite surprised at the number of women-owned firms who receive subcontracts during the last year.

**Francesconi:** And this purchasing report does not cover p.d.c..

**Klobertanz:** No, sir.

**Francesconi:** Ok. Thanks.

**Katz:** I think there was a request -- I think it was commissioner Saltzman, somewhere in the back of my mind I recall that conversation with p.d.c., and i'll need to follow that up. Tim, where -- where's tim? Would you make a note and let's discuss how we accomplish that with p.d.c.? All right. Anybody want to testify?

**Moore:** We had one individual, cindy catto with associated general contractors.

**Katz:** All right. Come on up.

**Cindy Catto, Public Affairs Director, Associated General Contractors:** Good morning, mayor and members of the council. I'm cindy catto, public affairs director for associated general contractors. I'm here representing today not only associated general contractors, but kevin spellman and ted oddland. What's being passed out to you is a letter that I have drafted on their behalf. I won't go over and read that letter. You can do that at your own -- on your own time. Beside me is cleo, who is also a member of the mayor's fair contracting employment forum, and was nominated to that position because she is a woman minority-owned construction-related firm. She also happens to be a board member, but that's -- that was a quirk of fate, quite frankly, what's not the reason why she was put on the mayor's forum. I want to congratulate the city for the accomplishment that's are detailed in this purchasing annual report. Great things have happened here since the disparity study was published back in 1996. Agencies -- a.g.c. Has been a partner with the city beginning in 1997, when the mayor's forum was created. We've also partnered with a variety of other organizations to help improve the inclusiveness and diversity of the commercial construction industry in our territory, which is the entire state of Oregon. And includes southwest Washington. To that end, I would be remiss if I didn't pat a.g.c. on the back just a little bit here this morning. Our 2004 board of directors will be 16% women, three of which are graduated port of Portland protégés. It will be 8% minority, and our current membership roster is almost 10% certified women minority or e.s.b. companies. So we've come a long way with the city, and we are working very, very hard in the long term to make the construction industry in Oregon be successful, be diverse and be inclusive. So we want to continue to be a partner with the city, and we think we bring a lot to the table with our experience and with our ability to help in the construction industry to help you meet your goals too, which are goals of ours. What I do want to say is, in addition to

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congratulating the city for what you've accomplished, the recommendations that are found in this report for increasing the targets and being very carefully about -- careful about goals that you set, we know the city is mindful of the legal ramifications and will not overstep those legal responsibilities.

**Katz:** So nicely said.

**Catto:** However, we do want to be part of what you craft, because we have experienced throughout the united states where very good intention goals have ended up being legal messes, and we don't want that to happen here. So we pledge our commitment to being a partner with you in growing, helping grow your program so that we too can grow together.

**Katz:** Thank you.

**Catto:** Thank you.

**Katz:** Identify yourself for the record.

**Cleo ?:** Cleo, property maintenance, thank you for giving us this opportunity to speak. I think what the purchasing department is doing is well, but speaking as an african-american woman contractor, I was a little bit disappointed in the results of the actual contracts that were -- the bidding process and the contracts that were awarded to the african-american contractors. And also looking at the work force development piece that you've put into the contracts, I think that you overlooked the actual cost of a contractor being a work force development trainer. That's a cost that's out there, but nobody really has been able to point to that cost. And as a small contractor, we don't know what that cost is until we do our research, and a lot of times it affects our price, so more than likely we're not going to be able to get the job because we're not the low bidder. So that's something the city needs to look at. I would like to be a little bit more involved in the committee, the fair contracting committee, because I think there's more work to be done. There's things that have not actually -- i've attended two meetings, which were about three months apart, but I see there's been work done in between before the last meeting to look at what's actually going on in the work force.

**Katz:** Thank you. I've only been to one meeting, and I agree that every quarter is far too few meetings for the year, and sue and I have not -- we've been both busy, but we are -- our goal is to meet more often to deal with not only your issues, but the issues of some of the minority members of this committee about how do we get women and minorities to bid on some of our contracts. Thank you.

**\*\*\*\*\*:** It's a very important issue.

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

**Francesconi:** I think it is important to celebrate successes in the people that made the successes happen. So the second point, sue and your staff should be commended. There's some notable successes, because when you look at the percentage of hours reported for minorities and women, as well as percentage of minority female apprentices, they were all increased during a recession. And you know that's counter to all the evidence nationwide and in Oregon about what happens to african-americans during bad economic times. They're the first to go. And that is shown in this state by the numbers. On the unemployment rate, which was starting to equal -- not equal, but was closing, and now it's back to disproportionate nationwide and in Oregon, and in Portland. And so the fact that you've reversed other trends, the trends that have held here, you should really feel very good about that. Not to mention the increase in subcontracts. So there is a lot to celebrate. On the issue -- I wish -- this is my fault for maybe not requesting it sooner, but we've -- we have to be more engaged here at the council on the policies that -- rather than just passing recommendations here, on as inspirational goals, for example. I'm not concerned about the legal side of it. At all, frankly. But I am concerned about, we say we're going to do things, i'm not clear on our strategy to actually do those things, and i'm very concerned about any inconsistency between the city and the Portland development commission. And i'm really concerned that we set ourselves up for failure with the

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african-american and latino community if we then don't achieve these goals. I'm less interested in the aspirational goal as how are we really going to develop more capacity in the community to meet these things, and what's our role in that? That's the conversation I really want to have. And how we're going to do it consistently as a city. Because nobody distinguishes between p.d.c. and the city, and so -- except us internally. So i'm interested in this larger conversation. And the other conversation, which was said by a.g.c., is, a regional approach no these things. What you're doing, sue, because you're in all these conversations. I know that the port still has a very good sheltered market program for minority contractors, and I think you're connected with that, but how are we going to grow some of these subcontracts to be prime contractors. Nobody mentioned the statistics of zero prime contractors being african-americans. I know there's kenny carr construction, there's some very good firms out there. So I guess I want to have a conversation about how we're going to grow some of these companies. That's the conversation i'm interested in. Not the aspirational goal, though that's an important symbolic statement. And so I know that tri-met is doing some things, I know that labor is very sensitive to this issue. And I know these conversations are happening somewhere. But I don't know where we're going as a group collectively. I know the will is there, and that's good. And I know that more unites us than divides us on this. So I just need a little help about where this is going. But this is a good -- you should be commended for being a player and an important player, and making things happen in a difficult arena. Aye.

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

**Sten:** I just want to thank the mayor for all her work, and sue and the team. Aye.

**Katz:** Well, sue now has me to contend with, and I don't have much time, but there will be a lot more work done. Aye. [gavel pounded] all right. 1379.

**Item 1379.**

**Ruth Roth, Office of Management and Finance:** Ruth roth, office of management and finance. Two ordinances are before you today. The first authorizes a management services agreement with lloyd b.i.d. Inc. to provide supplemental services to the lloyd area, including prosecutorial services, supplemental transportation services, extension of fareless square to the lloyd area, and for the first time, some marketing and economic development services. The overall budget is license fees are expected to increase from the current 192,000 to about 207,000 per year for the next four years. And representatives from lloyd b.i.d. will tell you a little bit more about those services. The second ordinance extends the collection of the b.i.d. license fee in the lloyd area without this extension it was set to expire in january. Now the term will be parallel to the downtown clean and safe b.i.d. The 10-year term since that review period. So i'll -- unless you have questions about either the -- either the agreement or budget, i'll turn it over to the lloyd b.i.d. Folks.

**Joe Vaughn, Oregon Arena Corp., and Portland Trail Blazers:** My name is joe vaughn with the Oregon arena corporation and the Portland trail blazers. On behalf of the rose quarter and the b.i.d. board, i'd like to thank you for your past support of the lloyd district b.i.d. and as -- we feel it's critical to the long-term success of the lloyd district. Without your continued support, we would not be able to fund things such as our district prosecutor program, with the help of the city, thank you, mayor Katz, and we'd also like to continue fareless square extension funding. We'd like to continue to fund the transportation management association of the lloyd district, and we'd also like to continue to work with the Portland development commission on issues such as the strategic development plan of the lloyd district, the lloyd crossing project, and the Portland streetcar planning study. P.d.c. has been a great partner with us in this venture. I'm going to turn it over to rick.

**Rick Williams:** Good morning. My name is rick williams, executive director of the lloyd district t.m.a. I'm here today for hank ashforth, the chairman, who wanted to be here today but because of the scheduling that occurred, he's actually in connecticut. I think the message that hank wanted to express to you, one was thank you for the three years we've had, it's been a great partnership, I think we've done a lot of things in the lloyd district that haven't been accomplished anywhere else in

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central city. We've done a lot of things in a short time. We couldn't have done that without the partnerships, I think that's another message that Hank has to forward. We have a partnership with you, we probably have a partnership with just about everybody commission staff that's represented here today. We want to reextend our thanks to the bureau of licenses, the help that commissioner Francesconi gave us early on, the help the license staff continues to give us. We have a less than 1% delinquency rate over the past three years. We only have \$3,000 in outstanding debt. 86% of the district has renewed their support for the district, we're not raising rates, we're working on the same budget, we began w we'll see some growth with new development, and we're adding new services to the district within the context of that budget. So again, Hank's message is thank you, we want to continue to work on partnerships with you, we think this is a wonderful leverage of private and public resources, and with that, we would urge your approval of the extension of the district.

**Katz:** Ok. Thank you. Questions? Anybody want --

**Leonard:** I do about the fareless square.

**Katz:** Ok.

**Leonard:** We as a council decide the boundaries of the fareless square?

**Katz:** Tri-met. We work -- we try to collaborate with tri-met in making some of those decisions based on where we have development and what -- where our connections are.

**Leonard:** I'm just mindful of their -- I guess that's their decision, then, that they make, but I'm mindful of their budget problems, and the requests they've made to increase the payroll tax, and I'm wondering if we've -- they have done an analysis of how much the fareless square actually contributes to their financial problems.

**Williams:** That's a good question. When we negotiated the fareless square agreement with tri-met and the city, there is an analysis that is currently underway to, one, analyze that specific question, what does it actually cost. There was actually some discussion as to whether we're paying too much for the extension. And that analysis is underway, and we're working on it. We should have an answer soon. That was part of the agreement for the extension.

**Leonard:** Thank you.

**Katz:** Further questions? Anybody else want to testify? Thank you. Roll call on 1379.

**Francesconi:** This is actually a terrific thing. I appreciate that you acknowledged licensing and the work they've done, because they lowered -- commissioner Leonard, they lowered costs to help make this thing pencil out and work for the Lloyd district. And -- but it's also taken leadership from you in the private sector. So you have now, because of your efforts and your money, putting into this, you have a neighborhood prosecutor that other business districts would love to have. You have a transit program, a transportation program that's actually I think the best in the city, one of the best in the country. You've actually reduced vehicle miles traveled when the rest of the city have only kept them flat. And so it's really those two are terrific things that you've done because of your resources that you put into this. I still think, and I wish Hawthorne was the next one, Hawthorne really needs what you have, and they don't have some of the capabilities financially to pull it off, but we have to learn from you and be able to translate this to a few other business districts that really need what you have. But this is something to celebrate here. Thanks for all your work. Aye.

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

**Sten:** Good work. Aye.

**Katz:** Will Mayor votes aye. [gavel pounded] 1380.

**Item 1380.**

**Katz:** I assume nobody wants to testify. Roll call.

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

**Katz:** Mayor votes aye. [gavel pounded] 1381.

**Item 1381.**

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**Connie Lively, Portland Development Commission:** I'm connie lively with Portland development commission. We're here today to discuss the second amendment to the north macadam urban renewal area, establishing authority to acquire the doubletree hotel property. This project evolved from last fall's pus-p.d.c. partnership agreement. Pus's redevelopment goals for the property coincide with our own urban renewal and central city goals to better utilize under developed land, promote a range of housing, and promote higher density uses near proposed light rail lines. With me today is jay kenton, vice-president of finance and administration from Portland state university. In the audience is don mazziotti from p.d.c., dr. Tulan from Portland state, a representative of the owner of the property, adjacent neighbors, and interested parties. Recognizing the contributions of p.s.u. to the city's economic development strategy, we're working to help p.s.u. prepare for the growth of their student population, and their growing need for campus facilities. At the same time we're promoting redevelopment of under developed urban land for housing. Currently the hotel is using less than a third of the site's development potential. Last spring p.s.u. requested that p.d.c. help acquire the double tree site and convey it to them. The property cannot be acquired except through eminent domain. In the short term the site will provide student housing and conferencing in the existing buildings, but over the next 10 to 15 years, the plan is to redevelop it as an urban village with a mix of retail, student housing, faculty, and staff housing, academic space and conference facilities. The planning process for the buildout of the site will begin in earnest next fall. P.s.u.'s committed to a planning process that will actively involve affected neighbors, particularly the american plaza condominium association, and the village at lovejoy. In order to acquire the site, two amendments to the north macadam urban renewal plan are required. The first brought the property into the district, the second amendment -- before you today authorizes acquisition of the property through condemnation. Both were approved by our commission on november 19. The transaction will be done at no expense to p.d.c. and will have no negative impact on the funding strategy and our ability to meet waterfront goals. P.s.u. is reimbursing all of p.d.c.'s costs to acquire the site. Because the property is expected to become nontaxable if acquired by p.s.u., p.s.u. will make a payment in lieu of taxes in the amount of the current taxes plus an annual escalator. The payment will come to p.d.c. in order to offset the tax increment funds that would otherwise be lost. The taxes jurisdictions in the north macadam funds will be kept whole as a result of the pilot. We've notified all the taxing jurisdictions of this potential action and no concerns have been expressed. Since august, p.s.u. and p.d.c. have met several times with the north macadam urban renewal advisory committee, the american plaza condominium board, the corbett terwilliger neighborhood, adjacent neighbors, downtown community associations and interested individuals. The owners of the double tree property understand why in property is important to the university's plans and have indicated they don't intend to challenge the condemnation. If the urban renewal plan is amended as planned, two more actions are required. We will ask for approval of a d.d.a. with Portland state, and we'll also ask for authority to commence condemnation in december at our december commission meeting. The intent is to close this transaction on march 1. If the property can be acquired this spring, p.s.u. can offer housing to students in the fall.

**Katz:** Ok.

**Jay Kenton, Vice President, Finance and Administration, PSU:** Thank you, connie. Mayor Katz, members of the commission, my name is jay kenton, vice-president of finance and administration at Portland state university. I'm here today to ask your support for the acquisition of the lincoln street property. President bernstein is out of town, he's returning from a advice to it china, and on his way back today. Otherwise he would be here representing the university. I think you all know that p.s.u.'s growing and evolving as an institution, and to support that growth and evolution, we need additional properties to develop for our use. The double tree site is a unique site, 4.03 acres on the edge of our campus, and offers a wonderful opportunity to build an urban

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village, be it transit oriented development with student housing, and other academic uses as well as other retail and neighborhood amenities. The property is consistent with the development of the university district, which this body approved in 1994. And we're asking for your support in moving forward. As Connie mentioned, we've made commitments to Portland development commission to reimburse all the costs associated with developing the property to increase the density on the site over time, to pay to p.d.c. an annual payment in lieu of taxes equal to the current property taxes plus an inflation factor on the property, to reimburse p.d.c. for \$50,000 to cover anticipated cost of any major amendment that may come in the urban renewal area, and to ensure that all new developments on the site are lead certified aesthetically pleasing and also involve minority women-owned and emerging small business participation in the projects. We're also willing to make a portion of the site available for the development up to 150 units of affordable housing on the site. As Connie mentioned, we've been actively working with the neighborhoods in the development and acquisition of this property, and I'm pleased to report that the American Plaza Condominium Association board voted to support or to work with p.s.u. in this -- in the development of this site, and we've also worked with the Corbett Terwilliger Lair Hill folks, the folks at the Fountain Plaza, and the Oregon Telco, which are all adjacent property owners. I want to thank you again for your time and ask for your support of this project.

**Katz:** Thank you. Questions by the council? All right. Anybody else want to testify on this?

**Moore:** We have a sign-up sheet.

**Saltzman:** I guess you said was a representative of the property owner?

**Lively:** Yes.

**Saltzman:** I would like to hear from them that this is a friendly condemnation.

**Lively:** We don't use that term, but --

**Saltzman:** What term do we use? [laughter] It is kind of an objection I moron.

**Lively:** John is here to speak to you.

**John Junkin:** Good morning. I'm John Junkin, I'm here this morning representing the property owner. There is no friendly condemnation, but my client recognizes the importance of this project to the city and to the university, and does not object to the taking.

**Katz:** Your client wants to get rid of the property, right?

**Junkin:** No. No. This was not on the market. This property was never on the market, but we expect that the city will need this property for development, this university will need it, and we do not object to the taking.

**Leonard:** Which leads to the question, why didn't you just negotiate a price with p.d.c. And sell it?

**Junkin:** There are certain issues with the way the property is owned that does not allow us to do an arm's length transaction. We have had discussions with the city, though -- excuse me, with p.d.c. regarding a price.

**Saltzman:** So due to the ownership structure there had to be some sort of an eminent domain or taking?

**Junkin:** Basically, yes.

**Katz:** Mr. Mazziotti.

**Don Mazziotti, Executive Director, PDC:** Just wanted to reiterate the development commission does not exercise friendly condemnations. The reason for this condemnation action from a business structure standpoint is that the property is owned by real estate investment trusts, and across the properties are in a trust which is cross collateralized from a financing standpoint. That means that to break from the trust, a single piece of property, the only means that is recognized under the trust as we understand it is government action, and in this case the government action would be an act of eminent domain to take it for a public purpose, and we're proceeding on that basis.

**Katz:** Ok.

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**Francesconi:** I guess I do have one question. Is -- ultimately it's Portland state that's paying for this, not p.d.c., is that right?

**Mazziotti:** That is correct, commissioner. We are acting as the vehicle to accomplish this objective because the process involved from state standpoint is a much longer process and more costly. We entered into the partnership with Portland state last year in order to help them achieve the university district goals that they have, and to do that in a way that's compatible with city objectives as well, and so by working together in this way, I think you can see that we've been able to identify mutual goals and objectives that can be met for both the city, affordable housing as an example, payment in lieu of taxes, and so forth.

**Katz:** Thank you. All right. Further questions. Anybody else want to testify?

**Katz:** Anybody else?

**Katz:** -- ok. Come on up. Quickly.

**Katz:** We have people who have been waiting a long time. Julie, why don't you start.

**Julie Leuvrey, 1800 SE 1<sup>st</sup> #600, 97201:** I'm Julie with Oregon Pacific Investment Development Company. 1800 Southwest First Avenue. Portland, Oregon. Good morning, Mayor and Commissioners. I'm here today to express our support and also express some concerns that we have about Portland State's acquisition of the Double Tree site. Our company has been in this neighborhood for over 40 years, and we own three properties along Lincoln Street that span from First Avenue to Fourth Avenue. We have 406 residential units, about a quarter million square feet of commercial space with the potential to develop more. So we do have a large stake in what happens right across Lincoln Street. In the last few months we've met with representatives from Portland State and p.d.c., and we've joined a p.s.u.-led neighborhood group that's been formed called the University District Coalition, and we've had ongoing dialogue with both of them. We've been very pleased with the outreach efforts of Portland State, and p.d.c., but having said all that, I feel it is important for us to outline for the City Council our concerns about the proposed redevelopment, there's no proposed redevelopment, but the potential redevelopment as we did last month for the p.d.c. commission. First we are looking for high-quality design, the South Auditorium neighborhood was the first urban renewal district in Portland, and I believe in Oregon. And we would like to continue its reputation for high design and quality. We're having seen other developments done by the University, we're confident that fits consistent with what we've seen with the Urban Plaza, we'll be happy with it. We would like to see it embrace the neighborhood rather than turn its back on it out. We don't want it to become an enclave of student housing, we're happy to hear there will be a variety of commercial and campus uses. Second, we hope the design will enhance the Lincoln Street corridor. Lincoln Street is the future location of the light rail line. It is currently a small street, very narrow, there are a lot of mature trees along that street, and we're concerned that if the eventual site plan includes tall massive buildings running right up along Lincoln Street, that it's going to be casting permanent shadows upon Lincoln Street, and blocking the natural daylight that comes from the south. Finally, the third concern we have is that shortly before the p.d.c. Commissioners' meeting last month, p.s.u. was imposed with a requirement to provide 150 affordable units on the site, and the neighborhood did not have an opportunity to discuss this. We hope this is not a shifting of the affordability requirements that are currently in place in South Waterfront up to this location. While this will now be part of the South Waterfront Urban Renewal District, it is a distinct neighborhood.

**Katz:** Thank you. Your time is up.

**Leuvrey:** Can I say one more sentence? I'd like to conclude by saying we understand that p.s.u.'s success is integral to the future of the central city, and we do support this acquisition.

**Katz:** Thank you.

**Joanne Owens, 2211 SW 1<sup>st</sup> St. #603, 97201:** My name is Joanne Owens, I live at 2211 Southwest First Avenue, a neighbor to the Double Tree. I do not approve of this property being put into the north



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macadam project as a 1% when they could better use it later in that huge project that will be beginning soon there. I -- how can it be justified that the double tree's four acres be condemned and taken off the tax rolls when the property could sometime be sold on the open market to get the highest and best value? This parcel could reduce great property tax revenues, produce many jobs, both of which the city needs. How can p.d.c. And the city council justify this condemnation? Thank you.

**Katz:** Thank you.

**Sara Allison, 2912 SW Champlain Dr., 97205:** I'm sara allison, I live in southwest Portland and I own property at american plaza, and i'm a student graduate from p.s.u. I also am here to strongly object to this. I'm -- I can't believe it's gone as far as it has. My concern is for the viability of Portland and particularly the downtown area of Portland. We seem to be neglecting and we have kind of a p.d.c. hold on the central city, because p.d.c. has urban renewal areas in about 90% of what I consider the central city, which is from burnside, 405, to the river. It is only one acre large, and even if we are planning to move the central city to another location, i.e., the macadam beach front, we have no right to destroy the central city right now. And if p.s.u. is allowed to extend without the benefit of planning, there has been no planning, there's been no coordination with the comprehensive plan with the city of Oregon, and even zoning is -- is handled by exception. How can p.s.u. take as part of its effective district about a fourth to a fifth of the central city? And why are we not listening to the l.p.'s, the columbia sports, to the qwest call center, to may & company, when they say, we're neglecting the creation of jobs. We're neglecting our commercial areas. We are building buildings, but they're for residential residential, and they're not for low-income residential, they're for high-income residential. And I think it's a huge mistake for p.d.c. to go into this. The other thing i'm concerned about is what's going to happen to p.d.c. and the city of Portland, and the funding opportunities if p.s.u. doesn't -- isn't able to comply with their extreme wishes? This payments in lieu of taxes is nothing more than a payment to p.d.c. for services rendered. It's not even the expenses that they're undergoing. And I think this is not a role for p.d.c. I don't think it's a role for p.d.c. to buy and own property. These are taxpayer funds that are being used, and we're not trusting p.d.c. to invest our funds in speculative real estate. And I just -- i'm really quite upset about it. I understand that p.d.c. is going to own the property and has even suggested they'll own the building for the convention center hotel, headquarters hotel. This is not the role for p.d.c.

**Katz:** Ok. Thank you. I'm sorry you raised the columbia sportswear, l.p., qwest, and whatever else you -- you need to know that we have been working with them -- you mentioned the may company one of the things the may company is very interested in, and so are the others, are having more people living in the downtown so they can capture more of the retail trade. Thank you. All right.

**Lynn Connor, 2211 SW 1<sup>st</sup> Ave. #1502, 97201:** I'm lynn conner, I live at 2211 southwest first, number 1502. I've submitted in written legal arguments regarding this is a quasi judicial action is not a legislative one and the need for required findings. Legal arguments aside, i'd like to address a few practical issues. Joanne raised one earlier. The north macadam renewal area is in its initial stages after 20-year development plan. Why would we use up one -- their 1% flexibility right up front? If there's a minor, minor increase needed in the future to do something in the area, they'll have to -- you'll have to go through a much -- a formal procedure to add that area into the plan. And why would one use the 1% to help a company in ohio? It just doesn't make any sense to me. The -- in addition, the double tree provides a service I do not see at this point being replaced. Out of town ohsu outpatients and patient families stay there. It's the most reasonably priced hotel downtown that is a nice place to stay, and the people receive preferred rates due to volume. And it's convenient to ohsu. This service has not been addressed in how it's going to be replaced. It was stated in a p.d.c. meeting, point number 3, p.d.c. meeting that p.s.u. is going to be required to have

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150 affordable housing units. Personally, I'm in favor of the affordable housing units. Would I hope if this happens, that these 150 affordable housing units would be in addition to the ones that are already required down in the north macadam riverfront area, that it's not just a switch. They should be additional housing units, not a switch. Then finally, I read in the paper, obviously what you read in the paper isn't necessarily true, that p.d.c. and omsi both want the same land on the east side. Omsi would like to expand, p.d.c. Wants it for possible corporate headquarters in the future. Will it seem to me that if one is looking for a possible corporate site in the future for headquarters, the double tree would be a much better site and much preferable to a company -- for a company coming into Portland. Those are my four main points. I would like to make one final comment, and it's -- everyone tries to work together, but I have found in attending a few meetings, I've been out of town a lot in the past few months, people who are bringing serious objections or raising serious issues have been treated by people with somewhat of a flip attitude. This is not true of the p.s.u. people, in one case when someone was asked in a meeting, have you read Sara Allison's extensive paper, the response from Mr. Farkas was, well, we're grading her paper now. When Jerry Ward was testifying before p.d.c. recently, everyone had been given extra time as they were giving their testimony on different issues that had come up, and all of a sudden the chairman of p.d.c. started counting down to Jerry. 9, 8, 7, smiling and doing it, but to me this is a very friendship attitude -- flip attitude to people who are raising serious issues. Thank you.

**Francesconi:** If I could just ask just a couple questions, the condominium board I think, did they vote not to oppose this or did they just stay out of it?

**Connor:** I was out of the country at the time. I would have -- they voted to work with p.s.u.

**Francesconi:** Ok.

**Connor:** And to establish a good neighbor agreement, which I have not yet seen.

**Francesconi:** That was my next question. And you appreciated all the effort Portland State made --

**Connor:** Right. I am basically against student housing on that area. I think there are better uses for the city.

**Francesconi:** That was -- so you even asked -- answered two of my questions before I answered them. What is it that you really are objecting to, that was my last question. You're ok with the 150 units of affordable housing, but you don't want student housing?

**Connor:** The first year I was married my husband was in charge of a complex of eight dorms and I lived in a dorm with 44 boys. I've lived in dorm life, no matter how well regulated, things don't run smoothly. I personally did not buy on Market Street just on the other side of 405 because there were a lot of students living there. I don't think it's an asset to the neighborhood, student housing. P.s.u. can give reassurance after reassurance, if you look at the Vanguard newspaper, University P.s.u. newspaper and look at their crime blotter, the crimes are moderate, but I think the crime -- I don't care what they say about patrolling it, I can remember my husband running out at 1:00 a.m. In a January in Chicago because of what was going on in the dorms at night. And he came back in and smiled very proudly and said, I was so calm and I handled it so well. And I said, honey, look at your feet. You went out barefoot and walked on the ice outside. I mean, things happen, it's -- I just don't think student housing makes a good neighborhood.

**Francesconi:** Do you -- this may sound argumentative, and if it does, I apologize.

**Connor:** I like to argue.

**Francesconi:** Do you know what the profile of Portland State students actually is?

**Connor:** They're older students. My understanding is the average age is between 27 and 29. A lot of them have families. Depends upon the dorm you're putting in. If you're putting in -- people who live in dormitories are not people who are 27 to 29. It's the younger students who live in dormitories.

**Francesconi:** Thank you.

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**Jerry Ward, Representative, Corbett Terwilliger Lair Hill, N.A., 7409 SW Fulton Park Blvd., 97219:**

I'm Jerry Ward, representing Ctlh neighborhood association, I'm on the north macadam urban renewal advisory representing the neighborhood. Yes, we are meeting with p.d.c., but we're opposed to the condemnation. On September 3 our board voted to oppose the condemnation of existing viable doubletree hotel property for six major reasons. One, using the maximum 1% of the land area for addition of the double tree site under 457.085 of the Oregon chapter 457 urban renewal statutes does not allow the ability to easily add more small parcel land parcels that would benefit the area, and our neighborhood in the future. Such as the pedestrian bridges, and tram mitigation on Gibbs Street. Two, the combined tax dollars of the property taxes and hotel room taxes to the city coffers almost equals \$1 million. Adding another taxes, fees, close to \$1.5 million will be lost. This loss to city general fund created by making double tree site a mostly nontax paying p.s.u. parcel is not good for the city. Adding double tree site is a substantial change to the north macadam urban renewal plan and not a minor change. Per statute 457.220, plan amendment, it states the north macadam urban renewal plan under section 900b states changes which do not substantially change the basic planning and engineering principles of this plan or goals of this plan shall be substantial changes requiring approval as provided in o.r.s. 95.095. Adding four acres of central city property with student, faculty housing is a substantial change. The use of student faculty housing is not described and the -- in the plan in any fashion nor do the goals of the plan address this use. Percentage wise on taxation value, the double tree site is over 12% of the total north macadam urban renewal evaluation. With the argument in issue two above, on lost tax dollars, in is a substantial change for p.s.u. and city of Portland has gone through a public process to create a planning district, the university district, the university district is well to the west of the double tree site, making this a p.s.u. addition in violation of zoning code title 33. There needs to be a public process for this to happen. Five, the double tree proposed addition is in violation of Oregon chapter 457 under 457.010, definition was -- which gives definition to blighted. I won't go through all of them, but it says a blighted area is characterized with existence of one or more of the following conditions -- it talks about defective design, faulty interior, overcrowding, inadequate provision for ventilation. Obsolescence, subdivision of sale of property, laying out of property, inadequate streets, prevalence of depreciated values, growing lack of property utilization of areas. The only reason given in the first amendment to the plan under section 2 is that this project area remains under developed. Much of the adjacent nearby land is built out at far lower than the plan allows. None of the above applies to double tree. By these state standards of blight, the site is not blighted.

**Katz:** Thank you.

**Ward:** Just because the property might allow more density height does not mean it is blighted.

**Katz:** Thank you. Time is up.

**Ward:** I didn't make it through.

**Katz:** We have it before you. We've been reading it with you.

**Ward:** Good.

**Richard Vitaliano, 2221 SW 1<sup>st</sup> Ave., 97201:** Good morning. My name is Richard, I live at the American Plaza apartments next door to the double tree. Most of my neighbors and I didn't know a thing about the venture until we saw the picture of our apartments in the newspaper in an article. When we asked about all the secrecy, we were told the hotel's owners insisted on a confidentiality agreement from p.s.u. and p.d.c. How wonderful. What a fine example of the actual workings after local government, gather up the children for a reality lesson. Here's a city agency and a state university meeting behind closed doors with an out of state corporation. Meeting secretly to strike a deal that could eliminate the jobs of 130 hotel workers and the property values of hundreds of people in the neighborhood. Many of whom have their life savings invested in their homes. Will I submit that the only reason a government to hide information from the public is for purposes of

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national security. Without top secrecy, americans would have read about the d-day invasion the day before. I feel secrecy has no place in local government. None whatsoever. The double tree ideal may not be a legitimate or illegal, it's definitely been tainted because it was conceived behind closed doors and out of the public's view. To add insult to injury, the plan is to add the property to the urban renewal district. However it's supposed to improve things. Does the double tree looks like it needs renewal? Is it in a blighted area? Of course not. The time and money and effort would be better spent across river on the east side of the city when many areas look like they have not received a coat of paint or a nail since the 1950's. I urge you to say -- use urban renewal the way it was intended to be used, to improve our run-down neighborhoods. Thank you.

**Katz:** Thank you. Anybody else want to testify? P.d.c. want to come up and -- or p.s.u. Come up and correct any information, or provide additional information?

**Lively:** Where do we start? One thing -- jerry ward talked about the -- this being a violation of the city planning zoning code, and that's not true. That's the -- the university district is a subdistrict of the central city plan, and there's nothing in it that talks about precluding Portland state from expanding its boundary. It's a planning boundary, so that's one thing. The -- regarding the confidentiality agreement, when p.d.c. undertakes any acquisition, there is by definition some time where we're discussing the act with the property owners, and determining whether it's in the public interest whether it's -- it makes sense, whether we can afford it and so on. And in this case, it's true that the owners felt that until we had a good understanding of whether this was even remotely possible, this transaction, they didn't want a public -- a large public outreach effort until -- because they didn't want to alarm their employees. So we agreed that we would get to a certain point in our understanding of whether this was in the -- in everybody's interest, p.d.c.'s, p.s.u.'s and the double tree's interest before we had our first public session on it. That session was with the north macadam urban renewal advisory committee in august, and that to us started the start of our public outreach process. Since then, we've had probably 25 meetings with various parties and organizations. So we feel that it wasn't conceived behind closed doors, and we've certainly done a good job in our opinion of public outreach since then.

**Saltzman:** Is the -- does the development agreement speak to a good neighbor agreement? In other words, is it going to be a binding type of document?

**Lively:** Yes.

**Saltzman:** What about design review? Does this -- will this project undergo design review?

**Lively:** Yes, it does. It has a d overlay in the zoning code, so it will. Some of the specific terms in the d.d.a. include the green building requirements, the pilot, the good neighbor agreement, the ability to -- the requirement that they work with the neighborhood, that p.s.u. work with the neighborhood. This agreement is between us and p.s.u., so it passes on to p.s.u. all of our requirements for development. It requires a minimum density of development on the site. It requires a payment for a future boundary amendment if we decide at some point to bring more land into the north macadam urban renewal area, it will constitute a major amendment with substantial notice, and p.s.u. is going to be paying \$50,000 toward that notice. And whether we amend the boundary or not, p.d.c. will retain that \$50,000 for use within the district.

**Saltzman:** Where do potential disputes over terms of the good neighbor agreement, who -- who resolves those disputes? It is the p.d.c. Commission, or -- is it us? We've been involved with other land use acts where we've asked neighbors and developers to go back, work on a good neighbor agreement and bring it back, and we've made that part of our approval from a land use point of view. Are we talking a similar mechanism that the p.d.c. commission would play here, or we would be in the role of --

**Lively:** In the off chance that a good neighbor agreement runs into difficulty, and there is no resolution or -- it appears there's no resolution, our commission -- that would be a condition of our d.d.a., so it would be up to the commission to enforce that.

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**Kenton:** It would be our hope to that -- that we would consensually work with the university coalition -- I think in addition to the American Plaza, other neighbors would be signatories on that good neighbor agreement. We have yet to really embark into intense discussions on that until the process -- normal approval process is completed. A couple things I neglected to say when I offered my earlier testimony, this project's been approved by the Oregon state board of higher education and also the Oregon state legislature, which we have to bring all capital projects to. With regard to Portland state student housing, most of our housing is apartment style housing, not dormitory style housing, which I think offers residents in these housing units more quiet enjoyment if you will, less of a gang bathroom situation and other interactions in the hallways, etc. And more of an apartment-style life that -- and our average age is actually 26 years old, most of the students that come to Portland state that want to live in our housing actually want to have a quiet place to live, and we strive very earnestly to maintain that type of environment, and we'll work with the neighborhood and have pledged to the neighborhood to meet with them on any issues of mutual concern, whether they're in the good neighbor agreement or not, if there are concerns that come out of this -- our occupancy of this facility.

**Leonard:** Is there a difference between the average age of a student at p.s.u. and an average age of a resident in a dorm of a student that goes to p.s.u.?

**Kenton:** Commissioner Leonard, I don't have the exact answer to your question. I don't believe so. I think our housing occupants are representative of our population as a whole. In fact, many of our graduate students who are generally older, many if with families, live in our housing.

**Leonard:** Is this proposed housing on this site capable of supporting more than one person per unit?

**Kenton:** The proposed housing would be multifamily. In fact, we did a survey of our students earlier this spring and found that most -- the highest demand unit is a two-bedroom unit that married couples with children, one spouse may work the other may go to school, would like to live in campus housing. And although we also offer a number of studios as well, cost is a factor for students as you can imagine, and therefore they tend to go to the lowest priced options we offer.

**Francesconi:** I have one question for p.d.c. I'm sorry. One question for p.d.c. It's regarding the testimony from Ctlh. The first point they make about, would adding this land make it more difficult to add land if necessary for the pedestrian bridge or tram mitigation?

**Lively:** If we add additional land in order to do the -- frankly I'm not sure whether that bridge is going to require the addition of more land to the district.

**Francesconi:** I don't think it is. To be honest.

**Lively:** I don't think it is. I think we purposely made jogs in the boundary to allow for the pedestrian bridges without bringing in additional land, and no substantial amendment would be required.

**Francesconi:** If a little bit of land is required, do you know, it may not be within your area, but do you know fits possible to do?

**Lively:** A very little bit of land could be brought in without -- I think it's like .09 acres could be brought in without a substantial amendment. But we're prepared to do a substantial amendment if there's a compelling need to bring more land in.

**Francesconi:** Remind me how difficult it is to do a substantial amendment.

**Lively:** It requires super notice to all the residents. Super notification and p.s.u. is paying \$50,000 towards that notification. It will probably be -- we estimate it will be about 50 or 60,000.

**Francesconi:** So what you're saying here is, we would do it if necessary to accommodate what we promised the neighborhood.

**Lively:** Absolutely. Yeah.

**Katz:** Further questions? Thank you. Did you have more?

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**Lively:** I just had two more points. One regarding the loss of tax revenues. We have talked to pova and others and they indicate if double tree closes down as a hotel, it doesn't mean that people will stop coming to Portland because of the loss of that hotel. They'll just move to other hotels, so we are not going to be losing hotel tax revenues. And secondly, this is our internal and external legal counsel assures us this is within o.r.s. 457, and it does constitute a minor amendment.

**Katz:** Ok. Thank you. Roll call.

**Francesconi:** Well, there's a lot of important reasons to do this. Change is hard, but doing nothing is worse. Here's an opportunity to accomplish multiple objectives. One is the property owner. This is 40% vacant most of the time, and this property is not going to make it financially over time. And I don't know -- anyway, so there's one objective. It actually helps the private property owner. Number 2, housing for students -- housing is one of our important city objectives, and student housing is really, really critical right now. Those young people need places to live in our community. And this accomplishes a very, very important objective. I've got two coming into that age range, and I don't want them living at home. Anyway, number 3 here is, you know, light rail going all the way to Portland state along the transit mall is a great opportunity to really revitalize our whole central downtown that is becoming more fragile. And here we can develop housing along a light rail line and that's a very important city objective in land use policy that's been in place for a very long time. And then finally, here's an opportunity to help Portland state university, which is our university. And it really is the best thing we can do to support the city. My only question is on re -- are we doing enough through p.d.c. to help the university, who is paying for this, who negotiated the good neighbor agreement, who did all the work. And I -- and that doesn't discount the role p.d.c. played in this. And actually, extending it symbolically, the idea of closing link with south macadam and the university district to create our science and technology quadrant and a relationship with ohsu is the best thing we can do as a city. Aye.

**Leonard:** I certainly share the neighbors' concerns regarding having neighbors that behave properly. And who do nothing to diminish the quality of life for the people that are there. Having said that, and having to confess a bias of me being a p.s.u. graduate. P.s.u. is unique amongst the university systems in that it is a university that attracts people to go to it who might otherwise never have the opportunity to go to college. Particularly university. I have been as some will tell you, a person who felt strongly over the decade I spent in the legislature that p.s.u. was treated routinely and systematically as the poor stepchild of the state university system. And i've often -- and for an example, when I was disappointed the other day at the economic summit that we attended to see a slide in a presentation given to all the attendees from throughout Oregon that spoke of nanoscience technology and the partnership entered by the state and u of o and o.s.u., in furthering nanoscience technology, understanding as I do, and if I didn't understand it, deborah murdock made real sure that I understood it quickly, that p.s.u. In fact is the top nanoscience research center in the state, and we're not even approached to join that partnership. It's not just a source of pride for me, it's a source of continuing frustration that the state and the city hasn't always recognized p.s.u. as kind of a gem in the rough in the center of the city that could be this economic engine that drives research in addition to -- provides opportunities for children who otherwise never had the opportunity to go to college, to go to a major university in an urban setting. Having said all that, on balance with the concerns I have with the neighborhood livability, I am confident, because I have had an exceedingly close working relationship with the university over the decade I was in the legislature, I sat on the hiring committee that hired dan bernstein, and heartily recommended his appointment, and I think I understand the university, its psychology, its mission, at least as well as anybody else. And I would argue that that is a university run by a leadership that is exceedingly concerned about their neighbors. And how they get along with their neighbors, in addition to fulfilling their mission, which i've described previously. So I could be easily persuaded that in a u of o, for example, kind of a scenario, where we see some of the consistent rowdiness and misbehavior on the part of their

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students, that this kind of a structure wouldn't belong in a neighborhood. I am not convinced in the case of Portland state. I think it is truly a stellar example of a university that attempts to accomplish a number of things and does so successfully. Particularly in relationship with its neighbors. Aye.

**Saltzman:** I think p.s.u.'s skyline is certainly growing dramatically, and so far everything i've seen has been very well done. I just want to make sure that p.s.u. keeps that same spirit in mind on this development, that it really truly is a signature development, particularly with light rail going down there. And also that it's a good neighbor. I appreciate the concerns the adjacent property owners and adjacent residents have about student housing, and I think -- I believe p.s.u. will get it right with the good neighbor agreement and with its design, and count on the p.d.c. commission to make sure those things are reflected in the final development agreement. Aye.

**Sten:** I think this will be a good project. A lot of its been said, but everybody that I speak with, and I agree that if we don't build a stronger higher ed system both in the state and the city, that we really are not going to do well in the future, and I think it's a common sense thing. We lose so many of our bright students who never come back, because we don't have the amenities in this town in higher ed that many other place like seattle do. So I think this will be part of that. I am as everybody has been sensitive to the neighbors' argument, I don't think it's a wrong one. The one thought I had, it's not the point here is not to negotiate a good neighbor agreement, but p.s.u. has enormous demands for housing from its students, and I think that if the type of population that ends up there is violating the good neighbor agreement, they ought to be able to change which types of students are in there. There's a lot much demand from all sorts of fronts, so I think the issue has an extraordinary amount of ability to make decisions on what, so long as it's done fairly, who's housing -- whose housing is this, so I think that they should be able to give you pretty strong enforceable agreement that's if it isn't as we expect it to be, that it will change. But that wouldn't change the physical building and the development that I think would be there and be a big plus for this area. Aye.

**Katz:** Before the recession hit us, mr. Birch from m.i.t. came to talk to the business community and identified the short comings here in the city of Portland, specifically. And he said we had experienced, we were at that time experiencing the greatest job growth, one of the greatest job growths in the country, especially in manufacturing. He said we have an exemplary quality of life. He says you're short one thing. That's a great university. And commissioner leonard reminded me that Portland state university was treated like a stepchild and continued to be treated like a stepchild, and was treated like a stepchild 20 years ago, actually, 30 years ago. And our responsibility is to make sure that we have at least if not a great university, at least great centers of excellence and older people going to school and many of them needing to live there. And opening the door to housing is one of the way that makes a community a great community for a great university. Aye. [gavel pounded] 1382.

**Item 1382.**

**Heidi Ware, Portland Office of Transportation:** Good morning. Heidi ware, city of Portland, office of transportation. This street area proposed for vacation is an unimproved section of southwest caruthers lying west of southwest sixth avenue. It is separated both vertically and horizontally from southwest Broadway by a steep slope of approximately 30 feet. The petitioner is requesting the vacation to expand their senior residential and assisted living care facility. The vacation area lies within the Corbett Terwilliger Lair Hill neighborhood and the Homestead neighborhood. Southwest Hills Residential League is also a party to this, and they were all notified of this vacation request. Opposition to the street vacation request has been given for several reasons. Two of those concerns are parking, transportation reviewed the area for insufficient parking and in the proposed vacation area is not improved currently to city standards, and insufficient space exists within the proposed vacation area to provide on-street parking now, so it would not be lost if the area was vacated. Concern about the removal of the street light for safety. The street light will be

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relocated at feasible to an area outside the proposed vacation area to keep that safety issue intact. The comprehensive plan allows street vacations only when there's not existing or future need for the right of way. Transportation has reviewed this area of right of way and is determined that it is not needed or pedestrian -- for pedestrian or vehicle connectivity for the following reasons. The proposed street vacation area dead-ends into the petitioner's property and only serves the property owned by the petition, so there is no current connectivity. From the proposed street vacation area up to southwest broadway, the topographic constraints would require a series of steps and landings and would preclude use by most people with impaired mobility. A paved pedestrian connection existing today approximately one block to the north along southwest sherman street. The area residents in the neighborhood have expressed an interest in seeing a sidewalk built along the frontage on southwest broadway drive, pdot has reviewed this request as well and has determined that this facility would be required for the site building permit and conformance with title 17. Pdot has determined that this sidewalk facility is more appropriately tied to the building permit process and does not fall within the criteria reviewed for a street vacation. City staff will be available for technical questions and the petitioner will also be giving a presentation.

**Katz:** Questions of staff?

**Saltzman:** Yeah.

**Katz:** Go ahead.

**Saltzman:** We're only vacating sort of the rear portion of southwest caruthers.

**Ware:** A little step there.

**Saltzman:** I guess I don't understand why is the street light -- the stop light -- why is that even being eliminated?

**Ware:** There's a street light within the vacation area, and that will be removed if the proposed vacation goes through so it will be moved farther toward sixth or as determined by --

**Saltzman:** We're not talking about the street light at southwest sixth and caruthers?

**Ware:** No.

**Saltzman:** Oh, I understand.

**Ware:** There's a street light at approximately the east end of the proposed vacation area.

**Saltzman:** Ok. And then on the sidewalks on broadway, so pdot does support the construction of the sidewalks? But it just wants to have it occur as a --

**Ware:** Right. They would review that as part of the building permit.

**Saltzman:** Do they support it?

**Ware:** Yes.

**Saltzman:** They do. Ok. Thanks.

**Katz:** Ok. Let's open it up for public testimony. If there are no further questions.

**Katz:** I'm sorry we made you wait so long. Does everybody know the gentleman who's coming up? Judge schwab.

**Katz:** He was tough every as a judge than he was as a mayor.

**\*\*\*\*\*:** I tried being a mayor at cannon beach one time.

**Katz:** That's what commissioner leonard reminded me. All right. Who wants to start?

**Steve Morasch, Representing Terwilliger Plaza, Schwabe, Williamson & Wyatt, 1211 SW 5<sup>th</sup> Ave. #1700, 97204:** I'll start. Good morning. My name is steve morash, I represent terwilliger plaza, the petitioner in this matter. First i'd like to thank pdot staff and planning staff. This petition that's before you today has been in the works for several years, and I know staff has but a lot of work into the issues that were outlined in the letter I submitted. I'm going to speak briefly on a few legal issues, and then i'll turn it over to the board president to my right, flo hime, and herb schwab and george reeves for a few of their comments. I also have with me here today the architect for terwilliger plaza, brian jackson, and the executive director, they have not prepared any testimony, but they're available for questions. Based on a court of appeals case cited in my letter to you, the



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malheur county case, street vacation must be based on standards and criteria, and the city has such standards and they're in the comprehensive plan policy 6.30, and as heidi mentioned, the basic standard is whether there's a current or future need for the right of way. As you can see, in the site plan and photos, this piece of property that we're talking about is a very irregularly shaped fragment of caruthers that's at the end of a dead-end street, and therefore there's no current need for that right of way. It doesn't connect to anything, and even if it could connect to something, over the private property it's in between the end of caruthers and broadway. The slope in that area is too steep for any type of vehicular connection. It's also too steep for any pedestrian connection under your comprehensive plan policy 12.4c. Will excuse me. Therefore pdot determined there was no current or future need for the area and supports the vacation. As part of the several-year process that the petitioner and pdot went through to get to where we are today, a study was undertaken of various alternatives for pedestrian circulation in the area, and it was determined that there was a need for a better pedestrian circulation system up along broadway, but that the issue of pedestrians moving along broadway is really a separate issue from whether there should be or could be a connection up through caruthers to broadway. And therefore it was determined that the sidewalk proposals on broadway were not appropriately resolved in this process for a street vacation, but that would be appropriately resolved in the building permit process and our client terwilliger plaza has agreed that if the vacation is approved, when they come in for their building permit that they will construct a sidewalk along broadway in two areas, and those are outlined in some detail in exhibit g to the planning commission report and recommendation. And so that's going to happen in a separate process. There was an issue raised about expanding the design zone, or whether design review would be appropriate. And I have reviewed that issue in the city's code very carefully, and there's no criteria for street vacation that would trigger design review and any expansion of the design zone would be subject to a land use process that would be well beyond the scope of this process. With that i'll turn it over to flo, and we would request that the city approve the street vacation because it will facilitate special needs housing in the vicinity of downtown. Thank you.

**Katz:** Let's start the clock, three minutes. The time is on the screen, so you can see it.

**\*\*\*\*\*:** Good afternoon. Briefly the plaza was founded --

**Katz:** Start all over, but we need your name.

**Florence Heim:** Florence hime, a recent resident at terwilliger plaza. The plaza was founded in 1962 for the purpose of offering housing for retired teachers. Today we have residents who are representatives of many walks of life. Terwilliger plaza is a not for profit, nonsecretarian downtown continuing care retirement community. We're a local, self-governing organization whose mission is to offer services to residents that will enhance their retirement years with a quality environment for the benefit of all members while maintaining a sound financial base. We hope to develop eventually our vacant property to uses consistent with our mission of housing for seniors. We believe in the wisdom of metro's 2040 growth concept, and desire to build a structure that is consistent with the city's zoning as a high-density residential area at the edge of downtown. Thank you.

**Katz:** Thank you.

**George Rives:** My name is george, i'm a member of the board of directors of the terwilliger plaza. I've appeared before new that capacity. The chart behind me here shows the vacant land, the larger parcel there, that is owned by terwilliger plaza. Jet -- jutting into it is the subject of the request for vacation, the right of way extends beyond the end of the paving on caruthers street and on toward broadway drive. The parcel by section of this land by the right of way prevents efficient development of it for high residential purposes in consistent with the rh zoning. That is the reason for the request here. Vacation would allow the property to be developed much more efficiently in compliance with the zoning, and the metro district service concept. As a proponent of the staff shows, this fragment of caruthers right of way is not needed for right of way purposes. It's

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separated from Broadway drive by -- you see at the end of the picture over here 25 lateral feet from the end of the right of way to the Broadway drive, and that is a very steep slope there. And the right of way is a dead end right at the foot of this steep slope. It's about 30 vertical feet in a short distance, and could not be used for vehicles, bicycles, people with disabilities, or anyone who could not negotiate the 78 steps required to reach Broadway. And for these reasons, we -- the plaza respectfully requests that this unneeded fragment of the right of way be vacated.

**Katz:** Thank you.

**Rives:** Thank you.

**Herb Schwab:** I'm Herb Schwab, my wife and I have lived in Terwilliger Plaza for over 31/2 years, and for over two years I have been on the governing board. I'm satisfied that probably the single most important reason for the continuing demand for apartments in the plaza is its proximity to downtown Portland. Many of our residents came to the plaza and many more are on the way for -- on the waiting list for available apartments because they want the security of a full-service retirement home along with easy access to what only the city center can offer -- P.S.U., the symphony, live theater, the library, downtown shopping, to name just a few. The elimination of the right of way will greatly enhance our ability to meet this need.

**Katz:** Thank you. Questions of the panel?

**Saltzman:** Just one question. I missed, what is it exactly Terwilliger Plaza is going to do on this property?

**Morasch:** It's going to be more of what they have right now.

**Katz:** They're going to expand. They're expanding up --

**Saltzman:** How big -- how long is the waiting list? How big a waiting list?

**Rives:** I think in some instances two years.

**Saltzman:** Ok.

**Francesconi:** How long have you been involved in the process of trying to vacate this street?

**\*\*\*\*\*:** Three years. Two years.

**Morasch:** I think it actually began in 1998, and I've been involved since early 2000. It's been a very long process, and a lot of work has gone into where we are today.

**Katz:** Could you -- can I ask the question --

**Francesconi:** It's on everybody's mind.

**Katz:** Could you explain why it took so long? [laughter]

**Heim:** One of the first things we had priority first for a big refurbishing of the main building. We completed that.

**Katz:** Right.

**Heim:** But it has been in process for five years.

**Morasch:** Part of the reason that it has taken so long is that PDOT wanted to be certain that we had examined everything, all the alternatives, and part of that was because there is some opposition from the Ctlh neighborhood association. And we wanted to do everything possible to try to work out a solution with the neighborhood association and there's actually three neighborhood associations that all kind of come together right in this location, and so part of the time we spent was in many, many, many meetings with all three of the neighborhood associations, and those were outlined in detail in my letter, which is exhibit G to the planning commission decision. And two of those neighborhood associations do not object to the street vacation. They basically are taking a fairly neutral position on it. Although the Swirl neighborhood association has submitted a letter and has indicated support for a sidewalk on Broadway. Ctlh has not supported the vacation and I think you'll hear from them.

**Katz:** We'll hear from them. Thank you. It was supposed there was opposition.

**\*\*\*\*\*:** That's the main reason.

**Katz:** Go ahead.

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\*\*\*\*\*: Dee is available to answer questions, she's the executive director for terwilliger plaza.

Unless there's any questions, she does not have prepared testimony.

**William Danneman, 623 SW Caruthers St., 97201:** William danneman, southwest caruthers. I'm the adjacent. We are the adjacent owners. All this time, this process has gone on, not once have they come to ask what we would like to see. And the only -- and we never even got notified through the process. Only neighborhood associations got notified. So if you want to talk about a good neighbor, it's going to have a very large impact on our investment because we own the rest on southwest caruthers, and we rent out to people that are retired, and are students, and we have a big mix of people in our housing. So it's nice to have a retirement place downtown, but there are other people that make a neighborhood a viable place, not just one group. I think in your packets you have information that was submitted by my mother, and they bragged they've been here since 1962. She was born here in 1910. And this has been our family property since before that time. So we're well aware of what happened -- is happening in the neighborhood. And you have maps that will show you that there was always access to broadway drive. And these are official maps that I don't understand -- I had to take time off and I just went up here to the historical society and within 20 minutes I had copies of these maps. There's -- it always shows there's been access to broadway drive from southwest sixth. And originally it was wide open, and then it seems -- it went to a stairs. And while I was growing up, I remember the stairs being there in the 1950's. When these folks purchased the property, they let everything go into disrepair, and the city never came back. But our concerns, the light is what would be the center of the street, just as it is on the two streets to the north, because there is a street light at southwest broadway drive, then we're in the middle of the block that was in front of our house, and there's one on the corner of southwest sixth and southwest caruthers, which is always been since there's been street lighting. And your own police officers say that street lighting is one of the deterrents for crime. And we want to make sure this is going to be there, not 125 feet away as suggested by your department of transportation, but will right there in the area next to where we are. And through all this process, there has not been any documentation presented by the city or the applicant that shows that there has been a street vacation from this area up to broad way drive. And this is our contention, that this has always been an access, and it never has any documentation to prove that it has gone back into private hands.

**Katz:** Thank you.

**James Davis, Land Use Chair, CTLH-NA, 2337 SW 6<sup>th</sup> Ave., 97201:** My name is james davis, i'm the land use chair for corbett terwilliger lair hill neighborhood association, i'm at 2337 southwest sixth avenue. I'll try to be very brief. You have two maps in front of you, or should, that show there has been access the first map, this one here is a sanford map, excuse me, a ship building map that shows clearly a access from caruthers to broadway. This is the first time by the way that the applicants have not said that there has never been a connection there. This map, 1932, shows a stairway which has been stated by there's danenman who is in her 90's now. It seems very clear the applicant has more of a problem with the title company than with the neighborhoods. That should show you just very, very clearly that this is the strangest ending of a street that we've ever seen. Essentially what they're saying is we want 20 feet and don't look at the other 40 feet because all streets in Portland at least in theory are 60 feet wide. There's never been a street vacation for that particular width that's -- that they claim is theirs already. In your packet you'll also have a letter from professor -- one of the foremost city planners in the world who counsels this council to think about the unintended consequences of what will happen here. It's very, very likely that the perception from the city will be about a 900-foot building all told. There are other things that will be happening, I would point out one thing that was said that at the previous meeting, when asked directly, will they put in a sidewalk twice, and that was by amanda fritz asking the question. The applicant said we will do what the law requires. Generally speaking, ctlh does encourage development, but we encourage development that is -- that works with our neighborhood in this

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particular area as a former student at Portland state, and a graduate of Portland state, we lived there, as I went to school. This is the last low-income housing area in our neighborhood, and putting in a building that can tower over this neighborhood, 75 to 125 feet, depending on where you're standing and how much fill they put in, will definitely take away the livability of the project. So as professor tulan has said, if you have to approve this thing, which I hope you don't, I would prefer that it goes back to transportation where everything may be worked out to the benefit of not only the neighborhood, but the city, and the applicants. I think that's only fair and reasonable. Thank you very much.

**Katz:** Thank you.

**Moore:** That's all who signed up.

**Leonard:** Can I ask a question? Mr. Davis? I am hearing you on the issue of the connection that existed between caruthers and southwest broadway drive. I guess it's not connected now and apparently hasn't been for some time. I'm just wondering why you're focus order that. Is it because of the concern that what you're really opposed to is the potential development of another tower on that site? Is that the real issue, or is there some issue about the connection that is missing me?

**Davis:** The issue is this -- that my concern is that we have a monolith that runs 4 1/2 blocks, is my concern. I certainly i'm at an age where I may have to sign up to get to terwilliger, because by the time I can get in, it will be there. We're not against development. We are against, though, a process that is flawed and that does not bode well for future development within our neighborhood.

**Leonard:** I guess what i'm asking, are you arguing that the access from caruthers to southwest broadway drive is still viable, is something that's utilized?

**Davis:** Well, no, it would be a little difficult because the applicants, a number of years ago, or agents thereof on a sunday morning came and took -- made the slope from a 30% slope to a 65% slope. They undercut the toe of the hill probably causing a little instability along broadway, buried 40% of the -- 66% of the roadway under two feet of soil, and now have said that that is an accurate representation of what was there when in fact we have maps that show that it wasn't. In fact we have photographic evidence that shows that. And I believe that the city did find the -- fine the applicant \$1,000 for doing this work. Something like that.

**Leonard:** I see. Thank you.

**Katz:** Are --

**Saltzman:** I thought I heard, mr. Morasch state they would put in sidewalks.

**Davis:** Well, that's not what I heard at the last hearing on this thing. He didn't say this, but i've think -- I think mr. Joseph, one of legal counsel for terwilliger plaza was asked twice by amanda fritz, will you put in sidewalks, and I think the record will show that he answered twice we will do what the law requires. And in fact there is a sort of a veiled threat at that hearing made by mr. Morasch, citing the famous dan dolan supreme court decision ensuring that the city may be asking way, way too much by even putting an -- a sidewalk along that stretch of property. The last thing -- I hate to do this to you, mayor. The last thing is that this property is probably going to be subject to super block review at some time, so there will have to be a connection. So I think what i'm really trying to do today is say, let's send this back, let's get it cleaned up so we don't have to come here again. I'm sure that you know, as you pointed out, it's been a long process, and it's not going to get any shorter if we don't do it right now. This is the time to get it straightened out.

**Katz:** Ok. Thank you. Is the applicant or representative of the applicant want to respond to some of the issues that were raised? Thank you, jim.

**Davis:** Thank you.

**Morasch:** Thank you. Steve morash. I'll be very brief. Comprehensive plan policy 12.4c states in pertinent part the city must -- this is a quote -- ensure that the pedestrian circulation system is safe and accessible to children, seniors, and the disabled including the blind, end quote. And due to the difference in elevation between the right of way down on caruthers and the right of way up on

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broadway, no matter how much dirt was brought in or taken out, whatever was done to that site, there would be a requirement of a staircase, a pretty significant one. And that would not be allowed under this plan policy. And that's the reason why a connection really can't be made at that place, it's simply too big of a grade difference between caruthers and Broadway. And I really don't think that I heard anything else that really needs any rebuttal, but I would be happy to answer any questions council might have.

**Saltzman:** Sidewalks, do you want to state once again what you stated earlier?

**Morasch:** Ok. Sidewalks along Broadway, one of the things that when we analyzed all the alternatives for the site, was that the real problem wasn't people getting up to Broadway, because there is a connection just one block away. But the problem was people going along Broadway, and it's not really safe because there's no sidewalk or anything like that up there. And people are just walking on the shoulder of a very narrow, steep road. And as outlined in the letter that I submitted to the planning commission, which is exhibit g to their report and recommendation, Terwilliger Plaza has agreed to install sidewalks along Broadway in two locations. Those being the most dangerous locations. And that's something that we worked out with pdot to determine where sidewalks were needed on Broadway, and what really was needed to be done up there. And as stated in writing in the letter that's attached, Terwilliger Plaza has agreed that if this vacation gets approved, and they come in with a redevelopment proposal or development proposal for their undeveloped property, that they will construct those sidewalks as part of that future development of the property.

**Saltzman:** Mr. Dannenman and his mother, I should add, my grandparents either rented their property or grew up right next door to them, my dad lived on this property for a while, but the street light issue. Stop light, street lights, that was confusing. Is this development going to have an entrance to its building on Caruthers, which I would presume would have certain lighting features that would mitigate the loss of a street light or the movement of a street light? This isn't just going to be the exterior of a building that you enter somewhere farther south.

**Katz:** I've asked the executive director to join you.

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

**Saltzman:** What --

**Morasch:** The street light will be moved to another location, so there will still be adequate lighting and that will be the cost of the petitioner. They'll put wherever pdot says we need to put it. If pdot and the neighborhood association can agree where it goes, we'll put it there.

**Saltzman:** Will this building have an entrance on Caruthers?

**Dee Sellner, Executive Director, Terwilliger Plaza:** Will the name is Dee, I'm the executive director of Terwilliger Plaza. Our first shot at some design at this would show the entrance to a new structure would be at the end of Caruthers, and so obviously we would improve the lighting in that area a great deal by offering more security for both the neighbors that live there as well as the potential people who would be residing at Terwilliger Plaza. Just to comment on the sidewalk, on Broadway drive we've been in discussion with the neighborhood association, and they are in full support of the sidewalk areas that we plan to do in that neighborhood, so you can check with the swirl and they can confirm that. So we've been in constant discussion with them.

**Katz:** Thank you. All right.

**Leonard:** And on the sidewalk issue, first, I'm trying to connect the vacating of the street, the property, and sidewalks on Southwest Broadway drive. How did those issues get connected?

**Morasch:** Exactly. There really is no connection other than we were looking at pedestrian circulation in the whole vicinity around this property, and where are the needs for improved pedestrian circulation in this whole area around the property and along Broadway was the one area where there was a need because of safety reasons, because of the people that do travel by foot up and down Broadway.

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**Leonard:** And to that point, swirl circulated something, I don't see a date, don't know that it's current, that raised a concern that with the construction of the sidewalks on southwest broadway drive, they'd lose parking spaces, and I know that's an issue up there. Have you done something to accommodate that?

**Sellner:** We have been in discussion was swirl. Some of the parking that does occur on broadway is on very dangerous spots, so this would certainly the sidewalk toward the bottom northern part of broadway would eliminate as we figured out probably one or two spaces, but it would also improve the access as well, though -- and much more safety.

**Leonard:** They've said 10, that they'll lose 10.

**Sellner:** I -- i'm not aware of 10.

**Leonard:** That's not been an issue raised with you by swirl?

**Sellner:** No. Just the -- not by swirl, no. There -- they are concerned about the sidewalk, the parking that's in front of an apartment building and the fact that it does jut out into the street. Though that's been their issue that they've raised with me on the parking.

**Leonard:** Thanks.

**Katz:** Thank you. All right. Further questions? None, roll call. Wait. Wait. No. I need a motion. Adopt the report and prepare an ordinance.

**Francesconi:** I'll move to adopt the report and prepare an ordinance.

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

**Saltzman:** Second.

**Katz:** Roll call.

**Francesconi:** The issue in this case, transportation is really sensitive about making sure connectivity is one of the values that we have in transportation, because it makes a better city. And we're very concerned about this, and it was really commissioner charlie Hales that really led the way and we and pdot are trying to continue that. But here's a circumstance where it just can't be done physically. And that's the only issue now. It's not sidewalks, it's not the nature of the development, it's can it be done. Either now or in the future. And the evidence, and I -- judge, is beyond a reasonable doubt that it cannot be done. So i'm not -- this is actually troubling to me. This case is. Because that's the issue in this days. It's not the development, it's not the sidewalk, that's a later case. And those are legitimate concerns that the neighborhood may have, but here it's, can it be connected, is it possible. So I want to meet with the neighborhood association, because I know we've scarred you with the tram and other issues. But we can't pick every forum to raise those issues. We've got to pick the right forums, because it's not fair to others. It's not fair to the -- to people that are trying to live in the heart of our city, and we need seniors and we need the talent to do it. I might be missing something, that's 80 want to come and meet with you. But on this record, and the facts that we have here, it's beyond a reasonable doubt that we should approve this. Aye.

**Leonard:** Aye.

**Saltzman:** I do think the issues relate to the sidewalks have been resolved. I think the street lighting issue will be taken care of in part through increased access to the new building, but also by moving this existing street lights, so i'm satisfied the issues here have been resolved. Aye.

**Sten:** The question in front of us is vacation. It does meet the criteria and makes sense. I also think the applicant has done a nice job of mitigating things, which can be part of any possibility that there might be a way to do this. It's certainly less than the gain the citizens will get from the mitigation. On the bigger issues, I think we need more housing and this is a place to do it, the design and the way that has to be done is going to have all sorts of process once this gets going. So i'm sure we'll be part of that. I appreciate the way you approach it so far. Aye.

**Katz:** Mayor votes aye. [gavel pounded] thank you. All right. Item 1383.

**Item 1383.**

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**Katz:** Roll call.

**Francesconi:** We had a lot of item on this, but this is a good example and we appreciate b.e.s. And allowing storm water, such an important issue, allowing the resources to lower the price. So we have the advantage of helping with storm water and building some infrastructure that allows for increased property values over time. In a part of the city that needs it. Aye.

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

**Katz:** Mayor votes aye. [gavel pounded] all right. 1384.

**Item 1384.**

**Katz:** Sorry, gary, I had to make you wait.

**\*\*\*\*\*:** We --

**Katz:** They were a little older.

**Gary Blackmer, Auditor, City of Portland:** We will make this very quick. Before you is a resolution. We are nominating eight members to the citizen review committee. We had 35 applicants, and of those we selected eight with a committee made up of three c.r.c. representatives, two members of the community, and the director of the internal police review division. Independent police review division. Real quickly, I think our system is built on three important elements. Independence, as the elected auditor, the work of my staff, my office, and its conclusions are independent. We also rely upon the citizen review committee to provide impartial hearings of appeals about complaints, accountability, we're always conducting our appeal hearings in public, we report to the public on police issues relating to complaints, and we emphasize objectivity in our reports. And we monitor to make sure recommendations are implemented. Finally we focus on improvement, which is applying our professional skills to identify solutions as well as problems. And our goal is to improve police services. We use facts in the force of reason to that end. And every complaint we believe should get its due consideration, but we also don't want to neglect the opportunities to identify problems that cause complaints and try and prevent those. So if we can have successes there, we think that's the greatest accomplishment in terms of improving police community relations. We're eager to be working with this group, and they are going to help us a great deal in our role of monitoring, evaluating, and advising for the benefit of our police services and our community. We have with us most of the members of the c.r.c., some -- one had to leave because of another appointment. I could read off the names and have them stand.

**Katz:** Why -- yes. Would you let us know or have them tell us very, very briefly who they are and --

**\*\*\*\*\*:** Would you like to invite them up?

**Katz:** It will probably be the only time the council will have that opportunity.

**Richard Rosenthal, Director, Independent Police Review:** Actually, since I was on the selection committee, richard rosenthal, director of the i.p.r., let me call them up and just make a brief statement about each one of them. First we've got lauren erickson. Recommended by commissioner leonard. He's a retired firefighter through the city of Portland.

**Leonard:** And as "the Oregonian" reported, he's very talkative.

**Rosenthal:** We've got hank miggins.

**Katz:** Which means your meetings will be longer.

**Leonard:** I was being facetious. [laughter]

**Rosenthal:** We've got henry hank miggins, who is the -- has been recommended by commissioner Saltzman, and hank I think is known to everyone here as former chair of Multnomah county, spokane, former city manager of spokane and former animal control director for the city of Portland.

**\*\*\*\*\*:** And a few other things.

**Rosenthal:** He's had trouble holding down a single job. We also have tracy smith who was unable to be here today. She had to leave about an hour ago for a meeting, and she has her own firm that

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deals with leadership issues and communication issues within the community. We've got irma valdez, she's a former prosecutor from Washington d.c. And also corporation council for the city of chicago and she's currently a real estate broker and new to the city of Portland. And she was recommended by commissioner Francesconi. We've got robert -- bob euland, bob is former volunteer of the year for the county of Multnomah. He is retired now, he's formerly a member of piiac and a current and returning member of the citizen review committee.

**Katz:** So is hank.

**Rosenthal:** As is hank. We've got Lewellyn Robison. She's a retired manager for the u.s. Customs service, and a long-time resident of the city of Portland. Sidney lezak, mayor Katz's recommendation. And he was the u.s. Attorney for the state of Oregon and the second longest serving u.s. Attorney in the history of the united states. And we have donna ode-orr, commissioner Sten's recommendation, and she was a former prosecutor for Multnomah county and currently an attorney for the bonneville power administration.

\*\*\*\*\*: And syd is the mayor's --

**Katz:** He said that. I didn't know, who recommended -- I missed your name.

\*\*\*\*\*: Lewellyn.

**Rosenthal:** She made it purely on the merits of her application. [laughter]

**Katz:** Nobody recommended you either: Ok. Thank you. Thanks. All right. Welcome aboard. You have taken on an incredible task, trust me. It will take a while not only to get trained on the issues, and then to understand -- to go on ride-alongs, to work the streets with the police bureau, learn all of the issues that are facing the city, and make some very difficult determinations and recommendations. So thank you.

**Leonard:** If I could say one thing, there have been some questions about my payment. The others kind of speak for themselves. I worked alongside loren for five years. My last five years with the fire bureau, and we would often times have to respond to incidents where frankly I didn't have as much patients as maybe I should have in dealing with some of the -- I know it surprises people. [laughter] they can be very challenging. And loren was unerringly professional and polite, and for those who might misunderstand his appointment, he will hold others to the standard that he had in emergency services. And I know that.

**Rosenthal:** In addition, let me say that the selection committee was very impressed with mr. Erickson, and he would have been -- he would have been amongst the a members selected regardless of whether commissioner leonard had recommended him.

**Francesconi:** But don't tell us which ones wouldn't. [laughter]

**Rosenthal:** Actually, each and every one of the recommendations would have --

**Leonard:** Good answer.

**Rosenthal:** -- would have made the top.

**Katz:** So I invite all of you to come and listen and watch as this group does the hard work that none of us want to do.

**Blackmer:** We do have rick alexander, he was here earlier, I don't know --

**Katz:** There he is.

**Rosenthal:** I'm sorry, we didn't have on the list, rick is a current member and he's serving out the second year of his two-year term. And rick was a member of piiac and also the c.r.c. And will be continuing on.

**Katz:** Thank you.

\*\*\*\*\*: You don't have to vote on him today.

**Katz:** All right. Thank you. Does anybody else want to testify? Dan, i'm sure you do, come on up. Anybody else other than dan?

\*\*\*\*\*: I warned you I would be back.

**Katz:** I knew that.



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**Dan Handleman, Portland Cop Watch:** County commissioners, i'm -- my name is dan handleman with Portland cop watch. I'm also with flying focus video collective and i'm watching the new members of the review committee I will be at your meetings with my video camera. So the people are watching what happens to the citizen review committee, and I want to make sure it doesn't go without mention today that one of the reasons there are so people being inducted today is that five out of the nine members resigned in august feeling there wasn't enough support for the citizen review committee. And i'm hoping that this city council will take that seriously and think about the reasons that they gave. All of them came on board with the same kind of screening process, neutral, wanting to do service to the city, and they all resigned in frustration. So I hope you will participate more in the process now from this point forward than has happened in the past. I'm also a little troubled by the language of the resolution which sort of minimizing the role of the committee. We had a big struggle in these chambers over adopting a new system that would be stronger than the old piiac, and the citizenry that came forward wanted a stronger review committee. One that had more power, and instead this is being described aspirating in public outreach efforts as opposed to holding public forums, which is one thing they're allowed to do under the ordinance, and giving -- acting in an advisory role to the independent police review division, which I -- it was miscorrectly identified as the internal police review division, because some people refer to it that way outside of these chambers. So I just hope that people realize that this -- that the community wants a stronger citizenry v. Committee that is actively reviewing police misconduct cases, and that has connections to the community, and the concerns that we raised in the press about the nomination were just on the face value of the history that was given. We don't know anything about these people, really, we don't want to credit sides anybody before they start their work here, but it's very important to emphasize the citizen review committee's connection with the community. That is to say, the people who are most likely to be harassed or beaten or otherwise mistreated by police are not people necessarily who normally have jobs in government. And we have five out of the six new members are all former government employees and three are former prosecuting attorneys. And a lot of the people have been on the other end of the criminal justice system where they've been into jail. A lot of people have had these problems. I just hope people recognize that they need a connection to the community and to those communities that are most vulnerable to police misconduct. And if they don't prove that connection, as much as they might be accepted by the police as a reliable source to review their cases, they might not be accepted by the community. And on that note, i'd like to conclude by saying people who feel that citizens can't review police conduct have to realize juries are made up of people who are not lawyers, they have no background, and they put people in jail for life and they put people to death sometimes, and I think ordinary people who get trained to be on the c.r.c. have every right to judge police conduct.

**Katz:** Thank you. Anybody else? Roll call.

**Francesconi:** I'm not going to -- you have the most important work right now in the city. And we need your help. Police need your help, community needs your help. And we need it right now. Aye.

**Leonard:** I'll just reflect again on what I said earlier. I too am a former government employee, i'm a current government employee, I suppose, but I have -- but I think anybody will tell you that has worked with me, I have a very high standard for employee conduct. Particularly police officers. And some might be surprised at positions i'd take with some police activities that have been in the media given my high expectation of their conduct. And I think everybody needs to be treated fairly, but fair is a two-way street, and because somebody is powerless and gets themselves in a bad way is not a reason in my mind for them to be treated unfairly. So I know with loren but with all the -- I know all of the members or about them, i'm convinced we're going to have an excellent process for treating people fairly. Aye.

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**Saltzman:** I particularly want to thank Hank, my nominee for signing up for another term. I think you're one of the most valuable people on the board, and I'm sure these new people will be just as valuable. I -- as Dan pointed out, I couldn't help but notice the strong former prosecutor presence there. And I was trying to mull over, I think that's probably going to be actually a good thing. I think they're going to be very tough on Richard Rosenthal and making sure that the work is done diligently. So I think it's on balance to be a good thing. Aye.

**Sten:** I agree. I think it's a terrific panel, and I admire all you for serving. It is a good sign a few of you are willing to sign back up, so it's a very, very tough job. It -- with my nominee, Donna, we have a -- had a long conversation and I -- what I saw when I spoke with her at some length was a person who knows a lot about how the criminal justice system works, and is very interested in all angles of it, working better in this town. So I thought that background is going to be a terrific plus, because she knows how things go. And I think she's going to be very fair and smart about that. I think she's got the right approach. So good luck to all of you, and I have a lot of faith new, and we need it. Aye.

**Katz:** I'll be visiting with you and good luck, and again, thank you. Aye. [gavel pounded] all right. We stand adjourned until 2:00 tomorrow.

At 12:53 p.m., Council recessed.

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2:00 PM

**Katz:** Good afternoon, everybody. Council will come to order. Karla, please call the roll. [ roll call ]

**Item 1385.**

**Katz:** Before I turn it over to commissioner Leonard, who wants to make some opening remarks, let me just tell you that it's a serendipitous day, because I just came back from a philanthropic awards being given to donors who provide resources for wonderful organizations and to the wonderful organizations that are able to get citizens in this community to volunteer for the good work that they've been doing all of these years. And so interesting enough, we're doing the same d.a. today. The donors are all of you, and it's one of the nicest and most fun days for us of the entire year. Because we get to say thank you to all of you who have made this community better by your service. Commissioner Leonard? While he's coming to the mike, that mike is hot, and so -- that's probably not the right term to use. [laughter]

**Francesconi:** That's a good term.

**Katz:** So if you want to say something, because we'd like to hear from you, please use that mike and look at the television cameras when they're rolling.

**Leonard:** Welcome to all of you, and happy holidays, and darcelle, you are dressed so beautiful for the holidays. We're glad to have you here. We can save electricity with you. [applause] [laughter] it is really my honor to be the commissioner in charge of the office of neighborhood involvement that put together the spirit of awards winner -- spirit of Portland awards winner. I can tell you that across the board this was a tough selection process, and the selection committee had a hard time with all of the wonderful applicants, with all of the wonderful nominees to pick from. And we're going to enjoy today each of us making a presentation. But I decided to wait until today to also introduce to you somebody that you should all know, Jimmy, can you come forward please? As some of you know, recently Dr. David Lane decided to move to Kauai for some reason and leave behind the office of neighborhood involvement, which sad for a lot of us that knew Dr. Lane that work so hard in that office, but it also gave us an opportunity. And the opportunity to select another person manifested itself into this young man right here, Jimmy Brown is the new director of the office of neighborhood involvement. [applause] just to get to these nasty rumors, yes, we did go to grade school together, it had nothing to do with him getting the job, it had all to do with his 30 years of experience in working in Portland neighborhoods, fighting for Portland youth, fighting to bring justice to communities around the city. Do you want to say a couple things before we get going? I caught you cold, I know.

**\*\*\*\*\*:** Good afternoon, and welcome to the spirit of Portland awards. As a former recipient of an award, I'm just happy to see all the folks that are continuing to do such good work out in the city, out in the neighborhoods. I would ask you, being the new director, that you continue to do that. I have what they call an open door policy which simply means that I won't be in the doors, I will be out there in the community, continuing to do the work that I have done for the last 30 years. I applaud Commissioner Leonard, beyond our friendship, as he said, for giving me this opportunity to come back to the city where I started, and to continue to do the good work in building communities and increasing citizen participation. So thank you so much, and this is so wonderful to see all these folks in here. [applause]

**Katz:** Thank you. Every one of the commissioners have their list of awards to give out, and I'm going to turn to the first one, and they're going to take it from here. There are for a variety of organizations and reasons for the award, and they will share that all with you. So the first one is Commissioner Sten.

**Sten:** Thanks, Mayor. I have a great opportunity to kick this off with the nonprofit organization of the year, and that is the Oregon Community Warehouse. I hope their representatives will come on

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up here. [applause] I think Oregon community warehouse works from a very simple and powerful and important premise, which is that there are many among us who need many, many things, items that many of us in the rest of our households are getting rid of or just aren't using anymore. And Oregon community warehouse, which is founded relatively recently, just in 2001, has create add very efficient and effective way to get things that households are no longer using to people who are in need, and who are very much in need, people coming out of crisis, homeless families, abusive situations. This year alone they've redistributed \$500,000 words of goods and are literally helping 40 families a week get back on their feet in a way that brings dignity and basic material needs and I think by helping people build a base and a family, material items right away, it helps them get back on their feet psychologically and be productive members of the community again. It's a very simple thing they've done so well, this is our nonprofit organization of the year. [applause]

**Katz:** Why don't you say a couple of words, and then everybody, come around so we can shake your hand and thank all of you individually.

\*\*\*\*\*: I want to thank you very much for this recognition, and for us for our staff and board members, just a few of us are here, and some upstairs. My family who has been a big support for the warehouse, and our board members, and our two staff members who also as many of you know, the funding that nonprofits can give to their staff also makes their staff volunteers. We -- I brought with me today some brochures if any of you are interested. What we try to do is ask you to donate the kitchen tables, the twin beds, the dressers, the lamps, the pots and pans and dishes and sheets and towels and blankets that you're replacing in your own homes, give those to us, and we give them away to over 125 nonprofit that's are all over the Portland community. A person who needs a bed cannot knock on our door, but 125 agencies can who are supporting those people. So we really appreciate your help, and just want you to know that we need to get those phone calls so that we can help even more families than we're currently helping. Thank you. [applause]

**Saltzman:** Our next award is to the small business of the year, rossi farms. We have some rossis here? Come on up. [applause] joe rossi and the rossi family have had a presence in parkrose and the city of Portland for over 100 years, and their farm has truly made a difference in the parkrose community. Rossi farms provides nutritious, local foods to local shoppers. They also consistently raise funds for the community and for local youth programs, notably through their annual barn bash, and the october harvest days. They've also spearheaded recently an effort to take the old dairy and convert it to a children's park, and I think that was just recently completed. So they're truly an asset to the parkrose community and to the city of Portland. We congratulate them for being as successful, thriving small business. Congratulations. [applause]

\*\*\*\*\*: It's an honor out of all the people in this community that do so much good, i'm honored this way, I wasn't anywhere expecting this. My dad and I farm together still, my dad's been retired for a long time, but like a lot of retired farmers, he comes to work every day. [laughter] almost more than me. I appreciate it. [laughter] my great grandfather came to america in 1880 to Portland and started farming in ladds addition before it was houses, and that's how far back we government i'd be honored if my boy had the opportunity to do it again. Anyway, thank you. [applause]

**Katz:** The next award is the volunteer group, and I have to tell you that everyone on this council wanted to give this next award out, but I did it because i'm just the mayor. [laughter] as al pacino said in "city hall." why? I'm the mayor: The award goes to h.o.p.e., help our public education. And in accepting the award is laurie, julie, bobbie, and nancy. Why don't you come on up. [applause] as you all know, this last winter Portland public schools was threatened as they've never been threatened before. Our state legislature and state government made some drastic cuts. We didn't know the future of Portland public schools, neither -- neither did these ladies and gentlemen, and we saw the defeat of a statewide tax measure, and we saw here in Portland the loss of 24 days that was thankfully made up by school teachers and by the business community, who taxed themselves to make sure that we had a full school year. But these folks were also worried about the next three

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years. And so their goals were really very simple and very clear. Full school year, teaching ratios of 30-1, or less, and action on the issue by mid-march so that parents would have some certainty and confidence about their public school. And this group worked together hand in hand with the city, and with the county, and they were a catalyst for all of us, including the business community, to think about making a major change in how we in the local area funded our schools. And so we had plan b, we had plan a, and we also were ready for plan c, but we didn't need plan c. Plan a was a very simple one, we're going to finish the school year, plan b was what these folks did. They served as negotiators, they prodded and pushed all of us, as well as the business community, because I was there at one of those meetings, they helped write some of the resolutions that we were working on, and they basically sent the message that they were not going to give up on our public schools. And it is this organization with the help of the county commissioners and the city council and the Portland business alliance, and parents, and teachers, and our young people in the schools that made ballot measure 26-48 a reality. Not only putting it on the ballot, but also making sure that it passed. Healthy public schools are essential -- you got the job -- you got the job done -- healthy public schools are essential to a livable, vibrant city and h.o.p.e. Led the effort. And for the health of this city, because without good public schools, the health of the city will decline rapidly. So let's thank these wonderful folks for making it happen. [applause]

\*\*\*\*\*: On behalf of all the parents and members of this community that came together and spent time away from our own kids to help all of the kids in this county, we as the folks standing up here want to thank that parent focus that really made this happen. Thank the voters in Multnomah county who came together and decided we value kids, and that they're a priority in this community and they will continue to be we want to thank city council and the mayor and the county commissioners and the county chair for their hard work, working with us, and it's nice to see an entity recognize a group that first came in the door saying, hey, we need to work together, and really come out of this as a united community who all have the same vision for our kids and our schools and our future. There's still a lot more work to do, parents have boundless energy, so we hopefully will be able to continue to do hard work on behalf of our community. Thank you very much for this award on behalf of all of us. And I also want to recognize jim scherzinger, Portland public schools superintendent, he nominated us for this award. We're extraordinarily grateful. This was an effort of thousands of people, and we're just lucky enough to get to stand up here today, but jim was very gracious in & kind in nominating us. The number of people who helped pull this whole effort together is endless, but please know we're thankful to all of you. Thank you very much. [applause]

**Francesconi:** The next award is in the large employer category. I'd like to kind of keep drama and suspense and reveal who the winner is at the end, but I cannot, because we only have one such employer in this whole state. We have many great employers, but we have one fortune 500 company who contributes so much wealth and income that benefits our schools and our whole services. But nike does far more than that. They also a long time ago -- they put a business right in the center of our town, but they also put a business along m.l.k. In an agreement reached between their founder, phil knight, and ron herndon, and it's still all these years continuing to generate profit back into that community. They also are leading a regional and statewide effort to diversify their boards, their purchasers, and suppliers, their work force, and they're helping other employers do that same thing. They bring in so much talent in terms of their employees into our community, most dunk tank most of whom live in Portland, and they are also leading the way in sustainable building practices and development practices with their tennis shoes, how they're using them as recycled products. They also support the schools levies, the parks levies, and all those livability measures not only in Portland, but across the area. Perhaps most importantly they're the dreamers who do it. And they've given us swagger and kind of a sense of confidence in our state in who we are, and they're not being recognized for all those things, they're being recognized for something yet on top

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of that. They chose -- i'm going to read from their -- why don't I have their president come forward, the u.s. President, while I read this plaque that they put in more than 30 basketball courts across the city in every neighborhood when they re -- use recycled shoes to put in world class basketball courts in lents, and in st. Johns, and in hillsdale, and every neighborhood in the city. So that all of our kids could feel world class. And they chose this of any project they could across the world, and they did other ones too, and i'd like to read this inscription that's in all these courts that they gave to the mayor and I and others. "oregon has been nike's home for three decades. In celebration of our 30th anniversary, this court has been revitalized with a world class surface made from recycled shoes. It's just our way of saying thanks for always making us feel at home. We hope that our contribution will help you improve your game and serve as an inspiration for the entire community." nike, you receive our award for the inspiration you give us. [applause]

\*\*\*\*\*: Thank you, jim, mayor, commissioners. Council members, it's really a pressure, I take great pride to be here representing phil knight and the over 6,000 Oregon-based employees for nike. I want to thank the leadership of the city and all the personal and individual leadership that fills this room today. I think it's great that we come together as a community, I think we are serving a greater cause, I think that's what it's all about for all of us so that you take the leadership position and bring all of us together to recognize the individual contributions that really make Portland the community that it is. We really applaud that. So thank you. [applause] secondly, we want to thank -- we were nominated by volunteers of america, so we want to thank that organization for their leadership. They have taught us a tremendous amount about the community, the needs of the community and who we can connect with the community. If we learn one thing, whether it's a partnership with the city or a partnership with different organizations, it requires vision and it does require partnership to be effective in getting some things done for the city. So thank you to the volunteers of america. And lastly i'd like to thank my fellow employee who's have passionately contributed their personal time. It's not that we just give people a day off every year to do something tremendous for the city, it's that they take their personal passion and channel it that's -- to something that's important to them. They have contributed thousands of hours of their time to this community. I'm very proud to accept this on behalf of nike. [applause]

**Leonard:** This category is youth volunteers of the year. Is ms. Lewis here? Can you come forward? I'm introducing marneet lewis. Marneet lewis should make us all feel good about the next generation of adults. She's a junior at franklin high school where she participates in the law and public service program. She's an extraordinarily active volunteer. Her volunteer activities range from advising the Multnomah county youth commission of which she has been a member for three years, on one day, to working with other volunteers to clean up her alameda neighborhood on another. Ms. Lewis has volunteered at the salvation army giving tree at the lloyd center for the past five years, and is the current cochair of the american red cross youth voice. There is an addition -- this is in addition to her work at the Oregon food bank and her summers reading to underprivileged children. She's active in her school, writing for the school newspaper, playing drums in the concert band, and working in the school cafeteria. As a member of an upper class leadership group, she also helps plan school activities for the student body. Ms. Lewis says she values her volunteer work not only for being able to help her community but also for the chance to meet her neighbors and make new friends. Ms. Lewis gives us hope in our future. Thanks very much. [applause]

\*\*\*\*\*: This is certainly an honor to receive this award. I would like to accept this award on behalf of my grandmother who truly taught me the lesson of helping others. [applause]

**Katz:** Folks, come on up so we also can get to say thank you to you when you accept your award.

**Saltzman:** Our next youth volunteer of the award is kezia stewart. Kezia is another extraordinary member of -- young member of our community. She's very active in the madison south neighborhood association, in fact madison south is one of the few neighborhood associations that has a position on its board for a young person to serve on, and I know she's served in that position

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for at least several years. She's also on the board for coalition, the central northeast neighbors. She's active in omsi, the Multnomah county library, her school and her church youth group. And she's been working to one of the big projects she's been working on is to find a good use for a former landfill on northeast 82nd avenue, and that has led her to deal with both the city, the department of environmental quality, Multnomah county, and i'm sure probably a host of consulting firms as well. But she's drafted plans and layouts of a proposed nursery that she envisions for that site with both -- that would augment the landscape as well as contribute to the detoxification of the soil. So thank you, kezia. [applause]

\*\*\*\*\*: I would like to say something. First off, as the other student said, I would like to thank first off susan hamilton. She's been a great -- she's been the lead tore my work in volunteer services, and to three other people who are not here, but are around the world at this time. First my brother bob, who started with susan hamilton. My sister marie who took over after him. And then david, who is in italy serving a mission for our church at this time. And me. For showing me the way to show volunteer services by improving the world, by showing with love, dedication. Thank you. [applause]

**Sten:** Our next award is to the neighborhood association of the year, and that is the hosford abernethy neighborhood development group, which we like to call h.a.n.d. Anybody who's here, please come on up. H.a.n.d. Is a very active group. If you're involved in city issues or city politics, you know that and you know what a great job they do. They work on everything from good neighborhood agreements, they have relationships with business associations, work with neighbors, and they're -- they really do things across the board. A couple projects came to mind and moved them to the top of the list. We have a terrible problem in this community with homeless people and not enough places to go for a lot of reasons. Some of it geographic. H.a.n.d. Is a place many homeless people go, and it would be easy for this neighborhood association to have turn and looked to sweep them out. Instead they started the homeless working group, and it was designed to engage neighbors throughout the city in h.a.n.d. And other places and to talk through the issue of homelessness. And it was a very impressive effort that I think will be vital if we're going to make steps forward. They also took on a project for the whole southeast coalition, and it was called the southeast coalition diversity and representation committee. And the goal of that was to go out and get people who are not taking part in the neighborhood associations of diverse backgrounds into it. And so I think what marks all of these efforts, if you look at it time and time again, h.a.n.d. Is as good as anybody at defending things and fighting things that shouldn't be done, I think they were a little better in taking the steps to be proactive and solving problems that really are intractable. Their efforts won't stop once they get this award, but they've really been impressive, so h.a.n.d., thank you. [applause]

\*\*\*\*\*: Thank you commissioner Sten and mayor, and commissioners. This is -- on behalf of the entire neighborhood association, this is truly an honor. We've all worked -- I think we were able to do this because we worked so well as a team, there's actually a handful of us, two are here and I think there's some others, and if you're up there or up -- stand up so people can see who you are. I also need to thank families, spouses, children, who have put up with the fact that the board members are away at meetings so many nights of the week, doing -- I think our most important goals are just to maintain and enhance the livability of our neighborhood and of the city of Portland. So thank you. All of you. [applause]

**Leonard:** We're now on to the category of individual volunteers from the -- of the year. This is a pacific northwest humanous award for anita ann elwell. She died from cancer may 19 of this year at the age of 58. She has left behind a legacy of personal involvement that greatly benefited our entire community. An accountant by profession, she was an exceptionally well organize and thorough person. Tapping her talents and expertise in accounting, she saved many local nonprofits time and money through the generous donation of her time. Mulageta seraw elwell helped begin

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lents founders day, now in its 11th year. She's volunteered at southeast uplift where she organized crime prevention meetings. Even as she became ill, she gave her time and money as she could. Her death is a loss for our community. Thank you. [applause]

\*\*\*\*\*: My name is Katherine Anderson. Juanita was a wonderful volunteer. She was my friend. It said that she helped organize crime prevention meetings. I worked at southeast uplift then, but truly she organized the staff. We tend to be very busy and not keeping track of details like filing and she came and took care of it for all of us, and actually I still -- everywhere I go I'm still using her filing system. So Juanita, you're still around. Juanita volunteered until the very end.

**Katz:** It's all right, Katherine.

\*\*\*\*\*: This is doubly hard because the person who nominated her Jim Cleary, passed away a couple weeks ago as well. So this is very hard. Jim was a great person, I want to say that. He organized -- he was an organizer for southeast uplift in the outer southeast neighborhoods, and he discovered and recruited not only Juanita, but Judy Welch. So he found a lot of great people out in the community, and he wrote the first big grant for the Brentwood-Darlington Community Center. So we've lost two wonderful people. But I'll tell you what Juanita always said to me on the phone. Hon, what can I do for you? So I'll take that forward, and I hope all you will think about that too. What can you do for someone else? I'm sorry. [applause]

**Francesconi:** Our next individual volunteer of the year is Frank Bowers. [applause] So Frank was nominated by Ruth Hander for the Spirit of Portland award because Frank's -- she said -- quiet dedication to the Madison South Neighborhood Association. Frank is described as a wonderful neighborhood, father, husband, step father, grandfather, citizen of the city of Portland, and best of all, the best hot dog cooker at Hancock Park. [laughter] So that's good: Here is just a few things that we're -- the reason that he -- Frank, you're so deserving of this award. You've served on numerous board positions for the neighborhood association, you've installed over 50 welcome to Madison South signs all over the neighborhood. You keep the landscaping beautiful around the signs in different locations. You pull weeds, plant flowers, bring in water for plants and spread the bark dust. So that we -- the taxpayers don't have to pay for that. You're especially helpful on many neighborhood clean-up projects. You help every year with setting and taking down the safety fair. You also work at the day in the Hancock Park cooking those great hot dogs for everyone. What day is that so we can come? [laughter] We'll find out later. You're a member of the American Legion post, the Boys State Government program, you volunteer over 4,000 -- 4,100 hours at the Veterans Hospital, you're also an honorary guard at Willamette National Cemetery, and on top of that, there's another quiet project that maybe you don't know that people know about, which is, because you want it kept quiet, you make arrangements with the post office to pick up undeliverable magazines and then you take them to the students at Jason Lee and Helenvue High School. So Frank, you deserve this award. [applause]

\*\*\*\*\*: I appreciate this award. The first word he said, quiet. I'm quiet. But I do want to recognize some of the people in the organizations I do work with. Foremost is my wife Beverly. She's a volunteer too, and a big help. Our neighbors and friends in the neighborhood association, Madison South, and American Legion Post One, Veterans Hospitals, any number of organizations I work with. But thank you for your work. Appreciate it. [applause]

**Katz:** Bonnie McKnight, why don't you come on up. [applause] This is one wonderful lady. I first met her at the Oregon legislature when she was chief of staff for Senator Betty Roberts. How many of you remember Senator Roberts? All right. [applause] That's when I met her, and then I lost her somewhere. Well, I was still in the legislature, and she decided to leave. And what she was doing here and all around the city and the county is the reason for this award. The chair of the Russell Neighborhood Association, she also was on Mt. Hood Community College board, she's been a long-time East Portland Coalition board member, a coordinator of the citywide land use forum, I'm going to talk about that in a few minutes, any of those roles would be sufficient to have her earn the spirit



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of Portland award. But there are many other things that this wonderful lady has done for this community. Decades of work, promoting citizen involvement, and healthy neighborhoods across the city, across the county, and statewide. The citywide land use forum is a group of neighborhood land use chairs. Now, I don't know how many of you are interested in land use. In all of the -- and all of the intricacies of whether it's our comp plan, all of our zoning code laws, all of the complicated things we have to do here based on state law. This woman not only knows them, but organizes all of the other neighborhood land use chairs to keep track of what we do and what we don't do. And her focus is on public policy, on planning, on getting to yes, on getting to win-win, seeing the big picture, and then getting the work done to making it happen. I have seen her work firsthand. There are other things that she does. Janes park, I don't know how many of you remember jane baker who passed away, who also was out in east Portland and wanted to have a park behind the midland -- Multnomah county library in east Portland, the midland library. She passed away, unfortunately, and bonny picked up the work, raise the money, got the volunteers, got the work done, and finished the park. She is one of truly the citizens that make this city what it is today. She keeps us on our toes, she keeps us on honest, she keeps us on track, even though every once in a while there are some contentious issues that have faced the council, but she comes here and lets all of us know exactly how she feels. And we listen to bonny. Because she is right 99.9% of the time. [laughter] she's a great city organizer, a facilitator, an activist, an advocate and an activist. Bonny mcknight, you deserve the award for sure. [applause]

\*\*\*\*\*: This is not a five-minute speech, so don't all leave. First of all, I want to thank everybody who had anything to do with this. Awards are nice for the individual, but frequently don't really get at the root of the value. And the root of the value of what I do is the people who do it with me, and I want to make that clear right now. The other root of the value of what I do comes from my family. I have my daughter-in-law, and the world's greatest grandson in the balcony today who came down from mercer island, Washington, just to come here, and they've got to go back on the train later today. They are representing my family. I have two sons, one of whom as we speak is interviewing for a job promotion in seattle, he's currently an assistant city auditor -- assistant state auditor in Washington. My other son works as a financial analyst for john harland and they're in the middle of their budget crunch and he can't get loose. What that proves to me is that my influence over what my son with the remainder of their life was nil. [laughter] however, I am really pleased that they're solvent so I don't need to worry about it. I also want to thank amanda fritz for taking the time from an extraordinarily busy life which also includes raising a family, which mine doesn't very often much anymore, anyway, for nominating me and taking the time to do that, and I appreciate that. It's nice to see ross from wilkes, the new wilkes, and alice ballot sitting right next to him from the more historic as the mayor said to us once, the more historic wilkes. I'm very proud to be from east Portland. We came close to having our own city. I still think it was the best answer. But I didn't give up. [laughter] so hopefully there will be some ways of making this one better. Not as perfect as we would have been, but better. I'm proud to be a neighborhood activist, because i'm in such good company. Neighborhood associations are a unique resource. We are a service to the city, not of the city. We are people willing to take time from our busy lives to make a difference to our community. We need and deserve your respect, we need and deserve support, we need and deserve to be welcomed when we do participate, and we need and deserve to be welcomed as partners with the city council. And it's in that spirit of Portland I accept this award, as only one of those many, many people. Thank you very much. [applause]

**Saltzman:** Our next individual volunteer of the year award goes to susan hamilton, and I was going to say if -- i'm not sure what the headline will be on this tomorrow in the papers, it might be darcelle's outfit, but then again, it might also be that this is the third person from the madison south neighborhood association to receive an award today. And as I said earlier, madison south neighborhood association is one of my favorite neighborhood associations not only because they

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have a member of the youth on their board, they also make sure that important articles are translated into spanish and vietnamese, they also as I recall provide child care if needed for their meetings, and all of these innovations are due to the individual we're about to give this award to, susan hamilton. As far as I know, you've been the chair as long as i've known you, and as far as I know you still are --

\*\*\*\*\*: I'm not.

**Saltzman:** You're not. Ok. She has single handedly pioneered things such as the adopt a cop program, where -- to show appreciation for Portland police officers, they receive birthday cards, other treats and goodies. She also came up and created the day in the hancock park, day in the park at hancock park, i'm sure when she gives her remarks she can tell us when that will be. And she's also instrumental in establishing a safety fair at jason lee elementary, so that fire safety information, bicycle safety information, and other important -- other ideas that are important for youth are there and have access to them. And she's just been a tireless volunteer not only to this city, but as I said, to the madison south neighborhood, which is truly one of the best neighborhood associations in the city. So congratulations, susan. [applause]

\*\*\*\*\*: Thank you. Although this award reads individual volunteer of the year, it really is a misnomer in my case. Without the collaboration of a great many outstanding neighbors in madison south and central northeast neighbors, two of whom are here today, because I -- kazia stewart and frank bowers, would I not be here. It really takes all of us to affect changes in our community, and I want to say a heart felt thanks to all of the terrific neighbors i've had the privilege of working with these past years. Secondly, the name on the award may read susan hamilton. It really should read mack hamilton, my husband. Without his unconditional support, physically emotionally, and financially, I would not have been able to do what I have done, so mack, I love you, honey, and this one's for you. This is totally cool. Thank you. [applause]

**Sten:** Our next individual volunteer is linda nettekoven. You've seen her before. [applause] in a small sense a repeat award winner, and it's no coincidence, linda is a board member of h.a.n.d., our neighborhood association of the year, and the vice chair right now, and the work -- maybe not anymore? No longer vice chair. The work she's done is a large, large part. It was a group effort, but she's been the spark plug among so of their efforts. I've described their work, and the diversity committee, so I won't do that again. She's been also working very hard on the neighborhood representation task force, on the public involvement work, and she's really also I think been a key liaison between the two major business associations in h.a.n.d. Hawthorne and division though they have many things in common they have some competitive issues and many things they want to agree on. So linda has been really the person that's spent long, long hours and many evenings and all our -- all during the weekends working with with the different pieces of the neighborhood and the different business associations to build the relationships to do the listening and the problem solving that's made all of the work that hand has done to win neighborhood of the year possible. So everybody has worked very hard there, that's -- but linda that's been especially targeted for her wonderful work this year. Thank you. [applause]

\*\*\*\*\*: Thank you. This is truly a great honor for me. One of the things that keeps me going in all this neighborhood involvement stuff is the company that one gets to keep. And I do want to acknowledge the people that have made this award possible. Those are the members of the h.a.n.d. Board who have taught me a great deal, the board members and the staff at southeast uplift neighborhood coalition, who work so hard in keeping our neighborhoods connected. And the members of the diversity committee, and the homelessness working group. I've been in extraordinary company in getting to do the things i've been working on these recent years. I do want to echo the things that eric was mentioning about working with business associations. I think that's a real key area that has potential for the future in a lot of neighborhood associations as we try to keep our neighborhood main streets vital and vibrant and find ways to be finding the common

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ground there and working together. I also do want to take the -- a moment to acknowledge my husband, Larry, whose unconditional support makes it possible for me to go to all these night meetings. I appreciate this award very much. Thank you. [applause]

**Leonard:** Vicki Scherer. [applause] as chair of the Kerns Neighborhood Association, Vicki Scherer each year mobilizes hundreds of volunteers for one of the city's largest and best neighborhood clean-up efforts. She sees so it -- to it that such events are celebrated with food donated by neighborhood restaurants, followed by a dance in the neighborhood insurance firm. Her warmth and love for her community has sparked revitalization of the Kerns neighborhood. She's been particularly successful in getting the civil improvement groups in the area, the Kerns Improvement Committee, the Kerns Neighborhood Association, the East Burnside Business Association, and the Sandy Boulevard Business Association to work together in a seamless fashion to support the health and vitality of the neighborhood she loves. Thank you, Vicki, very much. [applause]

\*\*\*\*\*: Thank you very much for this award. What I do is truly a labor of love. We have the best neighborhood, the Kerns neighborhood, and we have some of the very best volunteers you could ever find. I truly love working with all of them. I also want to thank my church, the Church of Scientology for their backup and support. Thank you. [applause]

**Francesconi:** Our next award winner is Eileen Fitzsimmons. [applause] Eileen loves history, and all of her efforts to promote and preserve the history of our city in & pass it on to our kids is one of the reasons that she was nominated for this Spirit of Portland award. She was nominated by Rodney, who I should know he works for parks, as project manager. Rod nominated her because of her dedication, commitment, compassion, and especially for her ability to facilitate heated discussions as she did on the West Moreland Park Citizens Committee, where she also represented the neighborhood's historical interests as they sought to accommodate all their residents, including their kids. She also has served on the Sellwood-Moreland Improvement League, where she chairs the history committee. She also -- the Oregon Historical Trails Advisory Council, where she serves as an advisor to their trail funds, which are administered by the Oregon Community Foundation. In addition to all these committees, she also works on the preservation, the historic trolley car barns in Sellwood. She worked with Reed College and the developer which led the decision -- to the decision to save the structures. She also worked to bring the community garden to Sellwood, she writes frequent articles on the historic interests for the Sellwood Bee, and she's working on detailing out the history of elk rock gardens. So thank you for being such an advocate for the history to pass on. Thank you. [applause]

\*\*\*\*\*: Well, when I told my husband about a month ago that I was going to get this award, he said it was a big mistake. Because it would only encourage me to keep going. [laughter] so with that in mind, unfortunately we did not save the Sellwood car barn. We have a little corner of it left, we have the heel of a loaf. And it's because there's a little glitch in the city's land use planning ordinances. So there's a new one coming back through, and I've gone to my first land use forum with Bonny McKnight, and I think as a group we'll probably all be coming back to the city council soon to encourage you to improve this law so these ordinances, so we, save and reuse for the future many of the historic structures and landscapes in this city for future generations. So I want to thank my husband Gary for his encouragement and support, for the support and encouragement of my neighborhood association, the Sellwood-Moreland Improvement League, and for two tireless fighters who have become like brothers to me in this whole car barn issue, and that is Art Demurrow, and my friend Joe Johns from the Garthwick end of our neighborhood, thank you all so much for your help. [applause]

**Saltzman:** Our next individual volunteer of the year is Kimberly McCleon. [applause] Kim Letter Buy -- Kimberly is the current chair of the Montavilla Neighborhood Association, and she has worked tirelessly in that effort to really work in a neighborhood that is changing rapidly in many ways, a lot of new families moving there, and I know again from my experience when I was the director,

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commissioner in charge of the office of neighborhood involvement, kimberly pioneered another great concept, which was bringing back the welcome wagon that when new people move into the neighborhood, somebody introduces themselves and acquaints them with the neighborhood association when they meet, where they meet, and things like that, and it's a great idea. And she has worked hard to establish a safety and livability committee, and the block watch program in her area. And in addition she's developing a five-year safety plan with local businesses as well as with residents. So she has given tremendously to her neighborhood and continues to give to the city and her community. Congratulations, kimberly. [applause]

\*\*\*\*\*: Thank you. I just wanted to say thank you to the people who nominated me. Brenda maguire, who I both have worked with very closely in the past. And I want to accept this wonderful award on behalf of all the people in montavilla who come to the second monday of every month to the community center and give of their time, and work to make that little neighborhood actually that big neighborhood, out on the other side of mt. Tabor, the best it can be. We work hard, and there are a lot of great people out there, and I just -- I couldn't do any of this without them. We all work together, and I wish they all could be here. Thank you. [applause]

**Sten:** Last but not least our final volunteer of the year is gary boehm. Come on up. There he is. [applause] gary is a tireless activist from st. Johns, he's known to some as the mayor of st. Johns, no offense to the mayor of Portland. And he -- actually st. Johns wanted to be its own city at one time, which i'm sure -- it was its own city, that's right. Gary's list of things is so long, i'm going to read a little bit of it, but it doesn't do it justice. There's almost nothing that's going on in st. Johns that gary isn't working on. He's been involved in the jazz festival, the blue heron blues festival, the st. Johns parade and vie lie -- revitalization project, the cadets graduation and team dance and the halloween carnival and many other things. If you look at what they have in common, they're efforts to build community, to create lively events, and to get people connected with each other. Gary is also a very talented artist who does graphic design for a living and i'll make a shameless plug that you ought to call him if you need graphic design. He needs the work not because he's doing poorly, but because he gives so much of his time to volunteer work. He's the designer of the beautiful st. Johns parade pin which is sold every year and has designed it every year as well as the jazz festival posters and t-shirts. They're absolutely gorgeous. So the reason you ought to do business with him is so he gets a little paying work to go with all the volunteer stuff he keeps doing. Gary is really the heart and soul of a wonderful part of our community which is st. Johns, and gary, thank you, you're our volunteer of the year. [applause]

\*\*\*\*\*: I'd like to thank you, mayor Katz, and members of council for the recognition of the work i've done for st. Johns. It's quite an honor, and it's quite humbling to receive such an award. I'd like to thank a lot of people in st. Johns who have supported what I do and the organizations that I work with, and the list is rather numerous. All I can really do is simply say thank you. It's quite an honor. [applause]

**Francesconi:** It's my privilege this year to be able to give the employee of the year award, and this award winner would want me to say this, and the whole council would want me to say this. We have terrific employees at the city of Portland. Actually the citizens here that were awarded, that are gathered would want me to say this. These are citizen that's sometimes in tough times maybe at least did I not appreciate before I was a member of the city family. These are very talented city employees that care very much about the city, could be making more money often doing other things. Yet they stay here because they love the citizens and the city with which they serve. So this year it's the privilege to recognize one much our very best, who is steve pixley from Portland parks. Steve really loves the volunteers that work for the city, and those of you that best of whom among the best that are recognized here today. He really loves Portland parks and community centers and swimming pools. And he really loves the city so much that one person with a little help has done the following. I don't know if -- I didn't realize the numbers were quite as high as these. There are

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six -- 6,000 volunteers for Portland parks on a regular basis. That is the equivalent of a half a million hours of labor which totals 202 full-time employees, which equals 3.5 million dollars annually. And to leverage those kind of people and talent and resources takes a really special individual, a special -- especially when they have very little help. Not all -- it takes all the organizational skills, it takes all the dedication, it takes all the late hours. But it also takes a person who can respect other people and their time and their talents, and demonstrate that respect and give them a mechanism to plug in that's efficient and effective and honors the fact they have families and they have jobs and they have other things. It really takes a very special human being to do that. For those reasons and others, Steve Pixley is our employee of the year.

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-- people like our basketball coaches, the dead-headers at Washington park, the Rossi family, who I think you kept sports alive in east Portland for many years. And -- excuse me. A little nervous. And the friends of Columbia Cottage, who really do bring neighborhood back to neighborhood parks. And so I want to say thank you to all of you, all the volunteers. Keep up what you're doing. And one orbit of advice -- if you ever have someone that you'd like to nominate for this award and you're not sure if they'd like the notoriety, the best job in the world gets a little bit better. [applause]

**Katz:** The next two awards are called the mayor's award, and called the mayor's award because I'm the mayor. And when I look at who's been nominated and who's gotten awards, then we sit down in our office and say, all right, who's been left out? And this year it's really been fun. Two very colorful groups. The first are the goodwill ambassadors for the city of Portland, the Rosarians. [applause]

**Katz:** I didn't know this, but they have been goodwill ambassadors by a mayoral proclamation in 1912. So this is a very long tradition. And they give all of us such pride in our city, because of who they are and what they do. They spend hundreds of hours a year celebrating the city of Portland, and putting our best foot forward for a lot of people in this community. All of their activities, including those wonderful uniforms that they wear, are paid for and funded by the members themselves. And not only that, they also raise money to provide opportunities for other people to receive awards. I'll tell you about one in a few seconds. One of the things they do very well is not -- you know all of the other things they do well, but there's some things you probably don't know. You know they plant the roses and they're at the grand floral parade and they lead parades, and they're anywhere you ask them to be to honor the event. One of the things that they do very well is travel around the world, on their nickel, to our sister cities, where they -- they are part of the delegation and take part in the sister city's activities. I remember one year we went to Guadalajara, it was hot, and they had a parade. I was lucky, I sat at the front table with the mayor of Guadalajara, these ladies and gentlemen in the white suits walked for five miles in very, very warm temperatures. They also greet our dignitaries. And if you have ever been greeted by a red carpet, with these ladies and gentlemen standing with a dozen beautiful Portland red roses, you can imagine how people feel, how special they feel, and so when we have dignitaries coming from all over the world these ladies and gentlemen greet them, welcome them, and people keep talking about the wonderful photos that they have taken with them, and they bring them all home. They sponsor numerous makers of the year award, where they give honors and awards to citizens who have performed exceptional acts, and then they also participate in a Christmas for kids where they take young people who don't have a lot of money shopping and they do that all on their own. I need to tell you that they are my right hand and left hand. And they've told me over and over again and they will tell the next mayor over and over again, "whenever you need us, just pick up the phone

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and call." so it gives me great pleasure to give one of the mayor's awards to the honorable royal rosarians. [applause]

\*\*\*\*\*: Thank you, your honor. As prime minister of the royal rosarians it gives me a great deal of pride to accept this award on behalf of the some odd 280 volunteers that we call royal rosarians and their spouses. Our spouses work just as hard as the members in representing you as citizens of Portland. So it's with tremendous pride that we as your official greeters of the city of Portland accept this award. Thank you very much. [applause]

**Katz:** All right. I usually give out two awards, because I can't make up my mind which I really want to give out, so I give out two. The next one is a very special woman. Darcelle xv, come on up. [applause]

**Katz:** Now as we do all of this, darcelle and this event is being filmed, because there is a movie -- she always wanted to be in movies. [laughter] there's a movie called, that's being made, being called "drag and social action," and it's an exciting film currently in production that portrays the stories and the tales of darcelle xv and her company and i'm sure her family. You all know she's a female impersonator.

\*\*\*\*\*: I thought I was passing. I thought I was passing.

**Katz:** And you all know it's the oldest drag club in the united states. [cheers and applause] 36 years, she put on shows of humor and warmth that challenges gender and sexual stereotypes. And sometimes it's a little racy, I do have to admit. And people come from all walks of life, I know because I was at one of her shows recently, to celebrate their weddings, their anniversaries. They come because they mourn lost ones and darcelle can relate to all of this and make them laugh. And she does this all with a clear understanding that we are living in a midst of social change and social transitions and she needs to be a spokesperson for a lot of what's happening in our community. And she's done that. Darcelle has supported social causes for the gay, lesbian and transgender community in this city, as well as for larger community causes. And when we were celebrating our 150th birthday, I asked darcelle to sing "happy birthday" for the city of Portland, and she said "absolutely, and she came looking as beautiful as she is today. [applause] but if you ask darcelle to do some fund-raisers for other charities, she will do that as well. And in the last few years she's joined the fight and the crisis of increased aids victims and raising money for aids and other community projects. She also has supported some political battles and a lot of us -- that a lot of us have been involved in, fighting for equal rights for gays and lesbians and turning down statewide ballot measures that would prohibit a lot of activity going on in this community and would discriminate among a lot of our citizens. So for all of those reasons, besides I think you're so beautiful, and so wonderful, darcelle, you get the award for the spirit of Portland.

\*\*\*\*\*: Thank you. [cheers and applause] thank you. Thank you. Thank you very much. Thank you. I'm very honored to receive this award. And I would like to thank my family and friends. Whew. For joining me this afternoon. I'd like to also thank her honor, the mayor, I think that's the first time i've ever said it that way. I usually call her her majesty, lovingly, of course. I remember the time, not too long -- many years ago that she brought margaret and gretchen to darcelle xv, 208 northwest third -- [laughter] -- to get into drag for a function. Vera, how come these commissioners have not been invited to drag? [cheers and applause] not that we didn't have fun with you, but I think we'd have a little more fun with this group. Put these glasses on now. I would also like to thank the elected officials and the appointed officials of our beautiful city for their -- for their embracing and honoring the diversity of our city. I know for a fact that what's happening this afternoon in this beautiful building will -- would never, could never, and will never ever happen in any other city of america. Only in Portland could a drag queen get up here and be honored like this. I am so proud. [applause] I couldn't be prouder. And it's wonderful to see the rosarians, you know, that i'm part of the rosarian group, because, you know, their suits are rather plain, but -- but the little shawls are beautiful. [laughter] and I was going to complain, because a few years ago the rosarians

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called darcelle, not to be a member, because, of course, no rhinestones on their suits, but -- but then I see the capes go by, gussied up more than I am, what is this? But they called because they were asking celebrities in Portland to see their rose gardens. They called, "could we come to your rose garden, we're doing judging and there's going to be some prizes." I said "yes, of course." they made an appointment for friday before the rose parade. They came to my house and I had hors d'oeuvres in the dining -- you have to thank the judges. I had hor d'oeuvres in the dining room, martinis and champagne. I thought it wouldn't hurt to get them a little tipsy before they see my roses. We went - - they drank. [laughter] and ate the hor d'oeuvres and we went out to my deck behind my home, and we had pictures with the roses. And they looked at the roses and everything, and even if it was just two pots I bought that morning at fred meyers. I didn't win. I was the very first documented drag queen to ever ride in the rose festival.

**Katz:** Oh, I didn't know that.

**\*\*\*\*\*:** A few years ago, the old town had a float, and I rode on the back of the float. That morning, we were getting on the float, as you know, in the rose parade, if you happen to have been involved, you're there at 4:00 in the morning and the parade starts at 10:00. Never figured that out, but it's true. I'm sitting on the back of our float, right almost to the ground. And while I was sitting there, the pickup trucks from eastern Oregon were unloading a posse, and so i'm looking gorgeous, and the head posse man got on his horse and rode up to the back of the float, looked down, and then promptly moved his posse a block down the road. [laughter] now this didn't bother me, because they had pickup trucks with gun racks in the back. You know, I wasn't going to say anything. So this whole half of the parade route they were a block behind. The biggest gap in the whole parade. And cheers were coming up as we went down the streets. "darcelle, darcelle, hello, hello, yeah, yeah:" the man rode up to me, got very close with the horse. And I thought "oh, god, he's trained that horse to kill." he got up to me and he leaned over and he said "you're somebody, aren't you?" [laughter] and I looked back and I said "yes, sir, i'm somebody." thank you. [cheers and applause]

**Katz:** Two shows. Two shows a night. So this is the end of this wonderful, wonderful afternoon. Citizens are the riches of this city. You are the riches of this city. Thank you so much for giving us hope. Thank you so much for giving us of yourself. Thank you so much for giving us something that money can't buy -- your time and your love. God bless you and we'll see you next year. [applause] oh, on the first floor? There's a reception for all of you on the first floor, and for the council, we have a time certain in 10 minutes.

**At 3:21 p.m., Council recessed.**

**At 3:30 p.m., Council reconvened.**

**Katz:** Karla, would you call the roll. [roll call taken]

**Item 1386.**

**Katz:** Can we get one more? Let me start, and then i'll turn it over to commissioner Francesconi. This is really the continuation the notion that former governor goldschmidt shared with the city in 1970. Realizing that as the city grows, if we don't provide choices for transportation and give citizens an opportunity to use public transit, that ties into land use, and that was the very important tie that people sometimes forget, that this city would not grow and would not be as vibrant as it is today, that the urban growth boundary at that time, it was just beginning to be drempt about, would be continually pushed back and back and back and we would lose farm and forestland, and so the thought was that we grow inside a core here, keep the urban growth boundary, keep the city vital, grow in the heart of the core of the city, and have a transportation system that people can use to go to work in the city. Then that grew into several legs of light rail, bus transit mall, light rail, and now this is not the final one, but it's one that is going to bring the light rail system from downtown to Portland state. And we are now in the process of planning that. I chair with commissioner

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Francesconi as a member and others here in the audience as a member of the transit or Portland mall committee that will make some final recommendations to the community, and we will be taking recommendations. What we're going to do today is really the first step, a much easier step. There will be more difficult steps for us in a few months. Having said that, let me turn it over to commissioner Francesconi who is the commissioner of pdot.

**Francesconi:** Thanks, mayor. That was the perfect introduction, because as the mayor just indicated it's really the culmination of land use and the urban growth boundary, but a multi-modal transportation system linking Portland at the heart of the region that's made this the most livable region in the country. Now what we're trying to do is we're competing with other regions for federal funding that are trying to catch up and make major investments. So this is part of the south corridor project where we're making again a major investment. And this time what's nice about it is we're redoing the whole transit mall, all the way from north of burnside all the way to Portland state, but at the same time we're putting major infrastructure into lents and gateway and linking it to clackamas, and we haven't forgotten that this is just the first phase of the inner southeast corridor, which is the second phase of south corridor. To do this, to make it all work, the capacity to handle the light rail trains needs changes on the transit mall in order to set the stage for the future expansion all the way to clark county. So what we're doing today is approving the alignment along the transit mall as part of this. And we need to vote on this. And we're also -- and staff will explain this -- we're setting the approximate locations of the stations, but not the exact locations. What we're not doing is designing the transit mall today in terms of through lanes or not through lanes. I just want to be clear about that. But we are -- we will -- we have a citizens committee that is really terrific on this, and that's working with an integrated group of -- the technicians, the designers, the business persons, and the residents, who are trying to figure out some of these issues. That will be coming to the council in february, that issue, including more about the station locations, which offer a great opportunity for urban design for the whole city. So I just wanted to explain that. The last thing, before turning it over to -- we have terrific staff here, steve and laura. Bruce allen is available. Somebody from p.d.c. is here, and tri-met staff. One thing that the mayor and I and all the committee has been struck with, how much pride there is, in the city, in waterfront park, pioneer square, but especially along the transit mall. This is part of who we are, part of what we want our kids to think of Portland as. So it's important to do this right, and it's a great opportunity to revitalize our whole downtown.

**Steve Iwata, Portland Office of Transportation:** Good afternoon. Members of council, i'm with the Portland office of transportation. I'll have a short power point on the resolution that is here before you today. I have a hard copy that was provided for you as well. You also have a letter from the Portland planning commission also that was handed out. As mayor Katz was saying, we're about 30 years into the downtown plan. The downtown plan was adopted back in 1972. And the transit mall is now over 25 years old. And so in many ways the transit mall represents the most successful elements of the downtown plan, but also now the downtown -- the transit mall is a quarter of a century old and showing signs of deterioration, both in terms of the physical infrastructure, but also in terms of the vital along the mall. This project is really trying to combine both infrastructure improvements as well as the revitalization of the transit mall. So the first element in this process is -- the first step in this process is the federal process, in terms of formally adopting the transit mall, understand it's called the locally preferred alternative, or the amended supplemental draft environmental impact statement. Also as part of this process we're asking that the council endorse the land use final order for the south corridor project. So back in the spring, march 19, the city council adopted the resolution supporting the supplemental draft e.i.s. For the south corridor. That included adoption of the i-205 alignment, as well as the Portland transit mall alignment. Also adopted phase two, the milwaukie alignment. However the downtown mall was not technically part of the supplemental draft environmental impact statement for the south corridor.



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What was known as the cross mall was part of that alignment through that process it was concluded that we actually needed two alignments in downtown so that the resolution directed pdot to work with tri-met and metro to amend the supplemental draft e.i.s. to include the transit mall. So as part of -- since the spring we've been working closely with metro and tri-met staff to prepare the amended supplemental draft environmental impact statement, but also in a parallel effort we've completed a conceptual draft design report. So the conceptual design report was to provide an integrated approach to looking at revitalization, as well as the physical improvements to the transit mall. The e.i.s. document went through formal public review from october 3 to november 17. We held public workshops in the middle of october and had a public hearing on october 21. Through that process we received 143 public comments from 122 individuals. These were summarized by metro and tri-met. 54 comments were in support of light rail. 15 commented preference to the subway. 24 comments noted opposition to light rail in the mall. All favored having Portland state as a terminus, and many comments were related to sort of the design details of the mall that will be more discussed in later phases of this project. The land use final order, also part of this resolution, was -- the concept was created by the Oregon legislature in 1996. It was specifically for the south/north project, and in terms of the process it's metro that actually will conduct the formal hearing and adoption of the land use final order. And the basic premise, the lufo, is for an expedited review, as well as a consolidated jurisdictional process. The council did review the final order in 1998 as part of the south/north project, and so the resolution here is for the lufo is to formally add the i-205 alignment, amend the downtown portion to extend the light rail to jackson street, and make adjustments to the stations and amend the milwaukie light rail segment per the resolution from last spring. The next steps in terms of the l.p.a. and the lufo, the tri-met board will have their hearing next week on december 10. Jpact will review it on december 11 and metro council will have its hearing on january 8. In terms of the project description, again, just summarizing, the first phase -- well, interstate max is opening in may of next year. Phase one is downtown Portland to clackamas county. And then downtown segment includes the -- is recommending to include the transit mall. And phase two is to downtown milwaukie. As I mentioned before, that the conclusion is that we need two alignments downtown, with the single alignment we're reaching capacity, and therefore we need two alignments. And the recommendation is, as shown in this graphic, comes over the steel bridge, down -- up towards p.s.u., down fifth avenue, comes back at jackson street, and down sixth avenue. Again, mentioning that the mall is 25 years old, and this is an opportunity to both put light rail on the transit mall, but also do a major rehab of the mall in terms of repairing a lot of the -- of the deterioration that you see on the mall, including the cracks in the bricks, the cracks in the granite circles, and in the pavement. Again, mentioning that this is really a combined effort, looking at it in terms of revitalization, so we have both technical work that pdot's involved with metro and tri-met, but there's also this revitalization component that includes working with Portland development commission staff, the bureau of planning staff. We have z.g.f. as an architectural design firm, and karen whitman is also part of this team, and we hope to present this overall management plan to the public in january. I'll go over the schedule a little bit later. In terms of the policy overview, in terms of selecting the mode, alignment and terminus as defined in the l.p.a., again, the whole principle starts with the downtown plan as adopted in 1972, which calls for a high density office corridor in the north/south direction, with a central spine for transit. In terms of council decisions, actually started in 1979. Council approved the banfield light rail, but with a desire to put light rail on the mall in the future. That expression was included into the 1980 downtown plan update as part of the west side project in 1983 the council adopted two light rail alignments, and in 1989 agreed with tri-met to proceed with deferral the mall to future corridor, south/north, again, council then adopted full mall, and in 1998, and again it was reinforced in the spring of this year as part of the south corridor decision. This graphic is just trying to illustrate that the highest density of activity is between fifth and sixth avenue. This is the river headed toward the

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west. And this is the highest spike is these two corridors between fourth and sixth avenue. So light rail will be serving the highest density area in downtown. In terms of the policy base, the central city plan identifies light rail as our -- the hub of our regional transportation system. It also has an action chart that reinforces union station as a transportation center, meaning that we'll have a multi-modal transportation station center that has an interface between amtrak, greyhound buses, tri-met buses, and now light rail. So light rail to union station, reinforces that concept. And also part of the university district plan that council adopted, it calls for extending light rail to -- to p.s.u. as well. In terms of the next steps, this step is pretty much trying to get through the federal process in terms of adopting light rail on the transit mall with the terminus to p.s.u. and as commissioner Francesconi mentioned the approximate location of the station. The key issues in terms of the actual design will be coming early next year. We plan on having a next draft of the design report in the middle or end of january with a public review period through january and february, public hearings. The planning commission has requested a planning public hearing as well, and we're working with them to schedule that. And then sort of reverse process, where this process, the city council is the first adoption body. The next phase is really the council will get the benefit of having the comments from the planning commission to metro council, and the tri-met board before he makes his -- before it makes its decision in april of 2004. The reason being is we're getting down to the details in terms of the design and so council will have a chance to have lots of public comments and input before they make their action in april. So with that, that concludes my presentation. And we have members -- i'm i'll open it up to questions. If not, i'll have members of the c.a.c. to testify.

**Katz:** Ok. Questions of staff?

**Leonard:** Are we going to discuss the issue of parking on the mall?

**Katz:** Not at this point.

**Leonard:** Ok.

**Katz:** The citizens advisory committee and the Portland mall, transit mall committee, citizens committee, has not tackled that. I think the -- the -- one of the next issues is the burr ban design. They'll really be -- there will really be two issues that we will be taking on. The urban design, the notion of rooms along the mall, and how the stations would integrate within the public space, that that's our hope, that's what we would like to see. And then the alignment -- I call it the alignment. That's not the technical word. Where the light rail and the bus lines will actually -- what area of the street will it be identified -- I call it the alignment of the bus. The role of the automobile, and those are the issues that are -- will be discussed. They have not -- they have not had a public hearing, and we'll get them later on.

**Iwata:** Yeah. Those are the -- we have new station options that will be un -- we'll be unveiling for the public in january.

**Katz:** Right, right. Ok. Further questions? If not, let's open it up to public testimony.

**Ann Niles:** Mayor and commissioners, my name is ann niles. I'm a member of the pearl district neighborhood association and have been serving on the citizens advisory committee on the Portland mall. We agree with the light rail being located on the current mall, on fifth and sixth avenues. We think light rail emphasizes the regional importance of downtown, in areas of employment, business, retail, entertainment. It supports the 20/40 growth concept, containing urban sprawl, making the regional center accessible by transit, and making downtown less dependent on the auto. We think light rail also reinforces the transit spine that already exists on fifth and sixth avenue, currently served by buses. It provides connections to other transit, to light rail to the airport, to the east and west regions of the city, soon to the north and later to the south. It provides connections to buses within the city and the region. It provides connections to amtrak and greyhound buses, and also to the streetcar. Light rail on the mall also serves as a shuttle through the mall, with mall light rail it's all served in fareless square. It provides a real clarity for travel throughout the mall. Any train going north, goes to union station. Any train going south goes to p.s.u. and that's not always as

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clear now when buses going by, if you just want to get partway or to the end of the mall. It makes a convenient connection between the north and south ends of the city, with stations every four to five blocks. I'd like to say just a little bit about the process and the citizens advisory committee. We are a group of citizens representing business, pedestrian, educational, neighborhood interests, and along with the staff working on this project. We've been meeting since april. We've met 19 times and have two more meetings this month. We're a very dedicated group. We meet at 7:30 in the morning and go often past 9:00. We wrestle with the issues, we have lots of opinions, spirited discussions, but we've come to understand each others' viewpoints. We're all concerned with making downtown a better and we've been a part of this great public process in Portland with a view to doing that. We support the adoption of the locally preferred alternative and we look forward to the addition of light rail on the mall.

**Chris Kopca, Citizens Advisory Committee:** Good afternoon. My name is chris kopka, downtown development group, 920 southwest sixth avenue. I chair the citizens advisory committee and sit here today also as a member of the Portland business alliance and boma on that committee. As you were just told, we helped prepared this report, in fact, and gave advise to staff, which in turn, then, the steering committee has endorsed following our work. And so we're proud to be a partner in this effort. This report, again, in effect, endorses the mall for light rail. But i'll tell you it wasn't without careful consideration. It wasn't just the history of prior public decisions. We actually went back and thought about the other options that have been put on the table from subways to taking -- using other specific roadway alignments and concluded that fifth and sixth were in fact the best options for some of the employment reasons that steve showed you on the slide, some of the interconnectedness and ability to travel between bus and light rail issues that ann just spoke to you about. So it was with a lot of deliberation, that we actually picked the mall. It wasn't a good back to where we were kind of decision. We also did this believing, as we worked on it along the way, we're a little bit ahead on this work, on our work today than we were at the time the report was finally drafted, we did it believing that we can in fact incorporate light rail on the mall and yet add another mode of transportation on the mall and physically be able to resolve that to everyone's satisfaction. That's the part we're working on right now. We did it with the intent of also trying to solve other problems that the mall has today, given its 25-year history of use and wear, which was I think pretty well depicted by steve again in his slides, but also larger economic issues. We're hoping this will not only serve a regional transportation need, but allow us to use the mall in a more productive way for generating the development along the mall. Downtown's gone through a couple big spurts of development in the last 10 or 15 years. Interestingly very little of it has been along the mall. Most of it has been a block or two away. We're going through looking at what that is and looking at what dynamics would improve that situation. We need to view this improvement not just as a city improvement, but this is really a regional rail improvement. This is part of this new system that comes with a line out to clackamas. Along the way, not only did we say -- look at the -- where the light rail should run within downtown, to be able to connect p.s.u. and the river district, two of our larger economic engines in the central city, but we need to make sure it will handle all the light rail vehicles planned for it. Candidly we did find the cross-mall solution working. That was the first solution on the table. Put more light rail on the cross-small mall. That line isn't capable of handling it all. We need to find another alignment for downtown, for this line and subsequent lines. So it's a great statement for the future about light rail. Lastly, in this report there are not only the alignment question, but the question of where the stations are generally. There's a call for essentially seven sets or pairs of stations throughout downtown, and those are not yet site specific, but in general bubble diagrams -- diagram locks we're endorsing the seven groupings, if you will. We looking forward to working, coming up with station options and cross-section options that the mayor was speaking to. Thank you.

**(Note: Commissioner Saltzman left at 3:59 p.m.)**

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**Katz:** Questions? Thank you.

**Katz:** Somebody grab a mic and go.

**Rod Merrick, 3627 SE Cooper, 97202:** Thank you. I'm Rod Merrick and I'm representing two pedestrian interests here today. The first is the Willamette Pedestrian Coalition. And they -- Willamette Pedestrian Coalition is very glad to have a voice on the distinguished advisory committee, the Portland Mall Revitalization Citizens Advisory Committee that you just heard from. W.p.c. supports the locally preferred alternative alignment, adding light rail to the bus service now on the mall. And w.p.c. supports extending the light rail to p.s.u., the largest user of transit in the city. My other hat today is representing the city's pedestrian advisory committee. The p.a.c. has developed a position letter that favors the above-grade mall alignment along Fifth and Sixth Avenue from Union Station to Portland State with intermediary station intervals as best suited for the city's intermediate-term transit needs, and with the understanding that it's adaptable to future transit development. The p.a.c. favors balancing the multi-functional aspect of the mall. The p.a.c. supports -- supports the reinforcement and activation of the best aspects of the mall for transit riders, pedestrians, and for improved office and retail environment for the core of the city. The pedestrian -- the p.a.c. favors activating the mall during offpeak hours, by a variety of means, not including parking. The p.a.c. asks to see -- asks to see convincing evidence that during peak hours the transit streets of function adequately for significantly increased transit vehicle loads. Or pedestrian use, not to mention adding cars and trucks to the mix. And this is information that we're still waiting to see in some more detail. If the transit -- if the street becomes simply a transit station, then we would favor an underground option, which we see as a future event, but it's something that I think is still being finalized in terms of the study. Finally, we favor preservation of the existing mall character, except at the light rail stations, both for economy and because of the strong, positive identity that the design has imparted to our city. The transit mall is one of the signature streets of Portland and we want to see it enhanced. Thank you very much.

**Katz:** Thank you.

**Bob Richardson, 1105 NE 60<sup>th</sup>, 97213:** Hi. My name is Bob Richardson. I also spoke at the public hearing on October 21. And I just want to reiterate some key points that are in keeping with what's being adopted today. I support the full length alignment to p.s.u. I don't feel it's worth going to all the trouble if it doesn't get that significant retired destination. I know you're not placing stations exactly, but one thing to keep in mind is to keep a long spacing of four or five blocks between stations. Right now with the two-block spacings, it can be quite a crawl to get across downtown. So I would recommend a four-block minimum when siting stations. Keep in mind that the steel bridge is a bottleneck, and that anything that can be done now to improve the situation across the steel bridge as more trains are added in the future, such as using more tracks across the tops, ramps and switching options, and repair the bridge so that trains can run at automobile speeds across the bridge would help as well. And finally, any work that is being done along the mall be done with the future of a potential subway or other transit options in mind, such as utility and sewer relocation while you've got it torn up, do as much as you can so that when capacity is reached 30, 40 years from now when a subway goes in, which I feel is inevitable, it will be a minimal expense and sacrifice on the surface while that work is being done. Thank you.

**Jay Kenton, VP of Finance, PSU:** Mayor Katz and commissioners, good afternoon. My name is Jay Kenton, vice president of finance for Portland State University. I'm here to do a couple things. First of all, to thank you very much for our involvement on both the citizen advisory committee, as well as the steering committee. As you know, Portland State's growing rapidly. We currently have in excess of 24,000 students. We're projecting a growth rate of around 5% to 6% a year, and could easily become a 35,000-head count institution by 2012. Today over 40% of our students use public transportation to get to and from Portland State, and 33% of our faculty and staff also use that on a daily basis to get to and from the campus. We have, as I said, 24,000 students, 2,000 faculty and

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staff, and over 2 million visitors to campus a year, yet we only have roughly 3500 parking stalls to service that demand. Thus public transportation is a very important part of our future. The second thing i'd just urge your support of this alignment. We think it's been a good process. And we're looking forward to having light rail service to Portland state university. Thank you.

**Katz:** Thank you. Questions? Thank you. Anybody else signed up? Come on up. Nobody else wants to testify. Does council have any questions? All right. If not, roll call. Commissioner Francesconi.

**Francesconi:** This is the first time that's ever happened. It's all right, karla. That's the first time in seven years. [laughter] anyway, well, I just want to thank everybody that's worked hard. I'm not going to name everybody here, but it's been a really team effort. It was terrific to hear you say that this has been a great citizen process, too. That was really wonderful to hear that. And 'cause it is so important to our city. And there are some controversial issues to face. I don't think parking's going to be one of them. There's some discussion about some pullouts along the way, but there isn't much parking along this. And that's not -- there is the issue of the through lane or not. And that's one. And there is the issue of the station locations. But I am confident that we're going to work this out, because it's too important to all of us, and too important to our citizens. I would like to invite the rest -- i'm very thankful, mayor, that you've included me in this. I would like to welcome the other council members to kind of see this some -- either through the citizen advisory committee or through our own, because it is a very important project for the next 25 years of our central city, that is -- can be -- is somewhat fragile. There is the question of how we finance it, too. And hopefully the match, the local match, and we're going to be -- be able to use federal resources for most of this, but there's a \$40 million to \$50 million match, and we're hopeful to present the financing at the same time that we present these other issues. It's a combination of federal, regional, local, and business sources that we're trying to piece together here. And hopefully we're going to have this financing plan at the same time. So thank you, everybody, for -- as we continue the work that was started 30 years ago, and that will be going on 30 years after we leave. Aye.

**Leonard:** I too appreciate all the work that's been done. I have talked to some business owners along the mall, but probably the most notable, the owner of kitchen kaboodle, who's convincingly persuaded me that he will move out at the end of his lease because of the lack of customers he attributes due to the lack of parking along the mall. So I don't know that parking's the issue or what precisely the issue is, but I would encourage us to not take anything off the table until we figure out what it is that's happening on the mall that may create kind of a dead zone for business interests. So we have to look at what the problem is, try to come up with what the solutions might be, and balance that with a good transit system. Not an easy thing to do, I understand, but something that I think we have to keep all the options on the table till we figure out how to bring all of those different pieces together. Aye.

**Sten:** Well, I also want to thank everyone for their work. I have not in all honest dug into what are the different ways you can get it through. Such a strong team of different interests in the pedestrian coalition and I trust this is the best alignment. I'm very interested in the discussion that's to come about stations and spacing and parking and these lanes. I guess I just want to put, since we're getting ahead of ourselves a little bit on this, but I do want to ask all of the smart brains out here to -- this year i'm very concerned -- the issue i'm concerned about is how the bus traffic is going to work when this goes in. There's really two issues to me. One is how fast is a bus going to get from old town to, let's say, city hall, coming from northeast. It takes me as long from my house to get downtown as it does to get from old town to city hall. I think that if we dramatically -- no matter what this light rail does, the vast majority of commuters are going to continue to ride the because because light rail isn't going to go to where they live to get them downtown. If the bus slows down much, I think we're in danger of losing a lot of folks. I think it is very important, what's the retail climate on the transit mall. It also is a transit mall that's been there for a very, very long time. And

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my suspicion is that that rental prices and -- I mean, that landowners recognize that some spots are better for retail than others. I think we want to have a retail strategy. I think if we try and get this signed -- street to do everything and we lose even a small percentage of the people that are riding the bus, i'm very concerned about this bus stops every four blocks. It's not enough for the average bus rider. I think it's -- if you said to people, you know, going down Broadway street on the other side of town, you can only get off every four blocks, I think it would make people nervous. I'm not sure it can't work, but it's not as sexy to ride the bus as the light rail, but I want to make sure that that's going to be my question is, is how does that continue to work? Because it's a very, very good system now. I think all of the office space and retail and other things downtown, the entire dynamic for getting a parking spot downtown, and i'll shut up, changes if they're being taken up by people who will no longer ride the bus because it's slowed down. A lot harder to get a parking spot. 10 spots on the street is never going to do anything. I think it's the right alignment, but I need to make sure I understand that, because i'm nervous about that piece of the alignment. That being said, i'm looking forward to it. It sounds -- I think it will be very good to have the financing scheme. I appreciate commissioner Francesconi working on that. You know, this could be a doable project from the looks of it, and I think it will have a tremendous impact in terms of the next phase of land use and transportation. So good work. Aye.

**Katz:** I think we all need to remember that what we're also doing is designing a great street, a great public space, and a transportation corridor. I don't know if it can serve all of the objectives and the dreams that everybody has for it. The buses will still continue to go on the mall. Light rail will be added. We still have cars on the mall. People want to park. People want to pull out. People want a direct line with the automobile. There are a variety of wishes with regard to the stations. And so there's still a lot of work that has to be done, but remember that part of what we're doing is an urban design for a great street. And we need to keep that in mind. Yes, there will be issues where we're going to take maybe some different positions. For me, I need to be shown that a certain plan will actually make a difference. In some of the areas, it hasn't been shown to me yet, so i'm going to take the position show me and prove to me that it would improve -- whether it would improve retail use or improve other uses along the mall. You're going to have to show that to the community because i'm not -- as I said, i'm not sure we can meet all the objectives and all the dreams that everybody wants, however we'll get there. We've got a steering committee and a citizens advisory committee that's coming from all different perspectives. You read your planning commission letter, they have similar concerns. They're also adding the notion that you might want to think about not, not the alignment on third and fourth, about how do you integrate third, fourth, and even tenth, as you begin to build another transportation choice option on the transit mall. More work to be done. I hope we can meet the time line and bring back to the council the recommendation that most of the citizens will feel good about. Aye. [gavel pounding] thank you, everybody. We stand adjourned.

At 4:14 p.m. Council adjourned.