



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **3RD DAY OF MARCH, 2004** AT 9:30 A.M.

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

Commissioner Leonard arrived at 9:32 a.m.
Commissioner Saltzman arrived at 9:33 a.m.
Commissioner Francesconi arrived at 9:34 a.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Harry Auerbach, Senior Deputy City Attorney; and Officer Anthony Merrill, Sergeant at Arms.

Item No. 184 was pulled for discussion and on a Y-5 roll call, the balance of the Consent Agenda was adopted.

COMMUNICATIONS		Disposition:
178	Request of Todd J. Kurylowicz to address Council regarding the Mayor's role as Police Commissioner (Communication)	PLACED ON FILE
179	Request Amber Hicks to address Council to raise social awareness (Communication)	PLACED ON FILE
180	Request of Glenn Warren to address Council regarding attack on the U.S. Constitution hidden in the guidelines of obstructions as a nuisance (Communication)	PLACED ON FILE
181	Request of Charles E. Long to address Council regarding youth voicing their concerns before City Council and the community (Communication)	PLACED ON FILE
182	Request of Andrea Meyer to address Council regarding the Joint Terrorism Task Force (Communication)	PLACED ON FILE
TIME CERTAIN		

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<p>S-183 TIME CERTAIN: 9:30 AM – Adopt the 26th Amendment to the Downtown Waterfront Urban Renewal Area Plan and extend the expiration date of the Plan from April 24, 2004 to April 24, 2008 (Previous Agenda 158; Ordinance introduced by Mayor Katz)</p> <p>Motion to accept the substitute: Moved by Commissioner Francesconi and seconded by Commissioner Saltzman and gavelled down by Mayor Katz after no objections.</p>	<p align="center">SUBSTITUTE PASSED TO SECOND READING MARCH 10, 2004 AT 9:30 AM</p>
<p align="center">CONSENT AGENDA – NO DISCUSSION</p>	
<p>184 Accept a contract for \$1,470,000 with Gresham Ford for the purchase of 70 Ford Crown Victoria police sedans (Purchasing Report)</p>	<p align="center">CONTINUED TO MARCH 10, 2004 AT 9:30 AM</p>
<p align="center">Mayor Vera Katz</p>	
<p>185 Confirm appointment of Peter Wilcox to the Sustainable Development Commission for a term to expire March 1, 2006 (Report) (Y-5)</p>	<p align="center">CONFIRMED</p>
<p>*186 Pay claim of A.C. Schommer & Sons, Inc. (Ordinance) (Y-5)</p>	<p align="center">178216</p>
<p>*187 Pay claim of Mr. Rene Gomez (Ordinance) (Y-5)</p>	<p align="center">178217</p>
<p>*188 Authorize agreement with the Portland Business Alliance for transfer of SmartPark Service Marks and completion of the Secretary of State Assignment form (Ordinance) (Y-5)</p>	<p align="center">178218</p>
<p>*189 Create six positions in the Bureau of Development Services (Ordinance) (Y-5)</p>	<p align="center">178219</p>
<p>*190 Authorize limited tax revenue refunding bonds (Ordinance) (Y-5)</p>	<p align="center">178220</p>
<p>*191 Apply for an Office of Domestic Preparedness FY 2004 Urban Area Security Initiative Grant to train and equip first responders for terrorist attacks (Ordinance) (Y-5)</p>	<p align="center">178221</p>
<p>*192 Apply for FY 2004 Office of Domestic Preparedness Homeland Security Grant to equip and train first responders and citizens to prepare for a terrorist attack (Ordinance) (Y-5)</p>	<p align="center">178222</p>
<p>*193 Authorize an Intergovernmental Agreement with Multnomah County for the City Equal Employment Opportunity and Workforce Hiring and Training programs (Ordinance) (Y-5)</p>	<p align="center">178223</p>

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Commissioner Jim Francesconi

<p>*194 Authorize contract with Hank Childs Golf Shop, Inc. for concession services at Rose City Golf Course (Ordinance) (Y-5)</p>	<p>178224</p>
<p>*195 Authorize an agreement with Self Enhancement, Inc. to provide payment of a year-round middle school program (Ordinance) (Y-5)</p>	<p>178225</p>
<p>*196 Authorize an agreement with Portland Public Schools to provide support for TLC-TnT summer camp program (Ordinance) (Y-5)</p>	<p>178226</p>
<p>*197 Approve an Intergovernmental Agreement with Lane Regional Air Pollution Authority to accept funds from the U.S. Environmental Protection Agency in the amount of \$100,000 for Portland Office of Transportation to manage a walking campaign, the Ten Toe Express, in North Portland (Ordinance) (Y-5)</p>	<p>178227</p>
<p>*198 Grant revocable permit to Paddy's Bar & Grill to close SW Yamhill Street between SW Naito Parkway and 1st Avenue on March 17-18, 2004 (Ordinance) (Y-5)</p>	<p>178228</p>

Commissioner Dan Saltzman

<p>*199 Authorize Joint Funding Agreement between the Bureau of Environmental Services and the U.S. Geological Survey, U.S. Department of the Interior for operation of continuous flow monitoring/gaging stations on Fanno Creek, Tryon Creek and the Columbia Slough (Ordinance) (Y-5)</p>	<p>178229</p>
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Commissioner Erik Sten

<p>*200 Authorize subrecipient agreement with Portland Housing Center for \$110,000 for activities to provide home buying opportunities and provide for payment (Ordinance) (Y-5)</p>	<p>178230</p>
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City Auditor Gary Blackmer

<p>201 Improve Collection and Foreclosure Process to correct inconsistencies (Ordinance; amend Code Sections 5.30.080 and 5.30.130)</p>	<p>PASSED TO SECOND READING MARCH 10, 2004 AT 9:30 AM</p>
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REGULAR AGENDA

Mayor Vera Katz

- *202** Authorize issuance of a competitive Request for Proposals for Parking Attendant and revenue collection/control of City parking garages and surface lots; exempt the selection of a vendor to provide overall management, janitorial and security services, attendant and revenue collection and control services from competitive bidding (Previous Agenda 161)

(Y-5)

178231

Commissioner Jim Francesconi

- 203** Revise Code provisions regarding exclusion from City Parks, define Park Officer, increase exclusion periods for repeat violators and provide for stays of exclusions during appeal (Ordinance; amend Code Section 20.04.010 and replace 20.12.265)

**CONTINUED TO
MARCH 17, 2004
AT 9:30 AM**

Commissioner Randy Leonard

- 204** Consent to franchise transfer from Portland Energy Solutions Company, LLC to Portland District Cooling Company, LLC (Second Reading Agenda 169)

(Y-5)

178232

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

GARY BLACKMER
Auditor of the City of Portland

By Karla Moore-Love
Clerk of the Council

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

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WEDNESDAY, 2:00 PM, MARCH 3, 2004

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

March 3, 2004
Closed Caption Transcript of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

MARCH 3, 2004 9:30 AM

[Roll call]

Katz: Mayor is present, so we don't have a quorum. We'll sit and wait for people who should be on time and aren't.

Katz: Ok, we'll start with communications. 178.

Item 178.

Katz: Is todd here? 179.

Item 179.

Amber Hicks: Hello. My name is amber hicks, i'm a voting resident of Portland. Today I am here as a representative of love makes a family. Which is a nonprofit organization that works for social change by creating a supportive, nonviolent environment for all families. Especially those subjected to social, economic, and legal discrimination due to sexual or general education, gender identity and gender expression. As you know today is a very important day for our community. Lesbian and gay marriages are being legally recognized in Multnomah county today. This is the culmination of a very long-term grass-roots process and a new beginning in the struggle to defend these rights. I understand that marriage is a county issue, not a city issue, but I feel compelled to bring this to the council meeting today as a community member who is concerned about where the Portland city council stands in regards to these equal rights. As you know, I am quite involved in the city as an advocate for many issues of peace and equality. I also know that each of you are concerned about these issues as well, which is a clearly seen by the fact that you're working here at city hall in these positions. Mayor, you have been in the position for most of my life. One much my best memories of you was on my 16th birthday when we both ended up at the same restaurant for dinner. You wished me a happy birthday and you told me that you supported young people like me and my friends. Though i'm sure we weren't the quietest guests at the charter house. It really meant a lot to me that you took the time to address me as a youth who was not even able to vote yet.

It stand out as one of the best birthdays in my life because I felt important enough to the city as a maturing community member. Last week I was happy to learn more about how this forum works for the council to get feedback about how concerned citizens feel like me. Thank you for clarifying the historical reasons behind granting citizens these first amendment rights, which in other political forums as i've learned, like patriotic political protests, have begun to be routinely taken away from our citizens through unexplainable force. Now that you are about to leave office, I am here asking again for your support. I am seeking from you a public declaration as mayor and all of you as commissioners that states your support for all the rights of the citizens here in Oregon to get married. I feel you are in a wonderful position as you leave office to truly address important issues concerning our citizens. Though I have been very concerned regarding the fact you have not addressed police accountability issues, while have you been in your position, I feel you must be reminded of what an impact you can actually have at this point in your long-term investment in political capital. You have the opportunity to stand up for what you believe prior to leaving as mayor of Portland. Please publicly stand with the lesbian, gay, bisexual and transgenders who have been fighting so long for equal rights. I hope the rest of the council will join with me at love makes

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a family in celebrating these wonderful commitment ceremonies taking place today at Multnomah county clerk's office.

Katz: Thank you. All right. 180.

Item 180.

Katz: He's not here. All right. 181. Charles?

Item 181.

Charles Long: My name is Charles Long, I live at 420 Northeast Mason. The other Thursday evening the Bureau of Parks and Recreation had an open meeting for youth especially to voice their concerns. It was called open mic, and the reason for this session I believe was because of recent violence in the community, and they wanted to give youth a chance to voice their concerns. I thought the meeting was so successful that I thought we should further this opportunity. Mr. Bell from Commissioner Francesconi's office was there, and -- among other community leaders, and he thought my idea of meeting with the youth at a city council session would be very worthwhile. Possibly at a Thursday afternoon session devoted exclusively to hearing the concerns of our young people in our community. At the meeting the other Thursday evening, I thought that their insights were very interesting and I think that the city council would gain perspective and insight and shape their policy and ordinances to assist these young people to develop into worthwhile citizens, which they are now, and I think we should encourage them by having this opportunity to speak before the city council. And Mr. Bell is, I understand, pursuing this objective. Thank you.

Katz: Thank you. 182.

Item 182.

Katz: She will not be able to make it. Consent items. There is a request by Commissioner Leonard to pull 184 off. Any other consent agenda items to be pulled off for discussion? Hearing not, vote on consent.

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

Katz: Mayor votes aye. [gavel pounded] 184.

Item 184.

Katz: All right. Commissioner Leonard, did you want to say anything?

Leonard: Yes. I'd like to articulate so that what my concern is, so that -- actually, as of this morning Robert King has raised a separate, completely separate issue I was unaware of. The issue I have is actually fairly simple. I understand that when we put out to bid for any kind of a product we have to take the lowest bid. That's required in state statute. So, for an example, a few years back people will recall that the long-time maker of license plates in Oregon was located in Sellwood, and it had the contract for 30 years or so. Central Eastside. They lost the bid to a Canadian company, and we had to give the bid to the Canadian company because they weren't the lowest bid. So I don't want anybody to address that issue. I understand that. That's not my issue. My issue is, if you do business in the city of Portland, you have a business in the city of Portland, you pay a 2.2% income tax that you don't pay if you don't have a business within the city of Portland. So what I've been trying to encourage the folks at purchasing to do is to pull this bid back and rewrite the criteria so that we take into account that 2.2% as part of our criteria. In other words, by definition, if you assume that these Crown Victoria that's are being purchased, for \$21,000 apiece, are purchased by Gresham Ford from the Ford manufacturer, you would assume that a Portland dealership could purchase them from the same price. But seven days a week the Portland dealer will lose out because we charge them 2.2% as a city, business income tax that ironically puts businesses in our city in a noncompetitive position.

Katz: Ok. That's the issue.

Leonard: That's the issue.

Katz: All right. So --

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Leonard: The separate issue that Robert is going to speak to is, we might also want to include criteria that would suggest that a police car if hit shouldn't explode in flames.

Katz: We -- and I'm glad you raised that. I asked Robert why he was here, he mentioned that issue and I remember Commissioner Saltzman mentioning that issue about a year ago. So we need a response on that as well. But let's take the legal issue first, then we'll take the safety issue. We probably should reverse it, but --

Leonard: I've got a legal opinion here, but we have our attorney here.

Katz: Jim, why don't you come up and share that with the council.

Jim Van Dyke, City Attorney's Office: Mayor, commissioners, Jim Van Dyke, city attorney's office. In order to get around the low bid requirement of Oregon -- as you know, under Oregon law, the routine way to purchase goods and services is through the low bid process. We do have opportunities to get around that low bid process by exempting contracts from that requirement if the council confine -- can find that there will be substantial cost savings and it will not unduly diminish competition. Generally speaking, the proposal that has been made -- let me just say that I don't disagree that there are some economic effects of buying goods within the city of Portland. Unfortunately, the state law focuses on the direct economic effects of the purchase --

Katz: Describe that point.

Van Dyke: Rather than the indirect economic effects. In other words, they're looking at the actual cost of buying the vehicles, as opposed to the indirect economic benefits --

Leonard: Can I interrupt you one second? You're going down the wrong path. I understand what you're saying. However, we can develop our criteria to determine what the low bid actually is. Because if in fact we have businesses in the city that pay us a business income tax, we get revenue from, and they also pay a city property tax that may be different than what the city of Gresham pays or I should say the Gresham Ford pays to the city of Gresham. I am not persuaded that we can't include those as criteria to get to the truly low bid. Because the truly low bid, the cost to the city, may be cheaper if we buy from somebody in the city because of the revenue we get from the sale than what we would otherwise get.

Katz: Jim, focus in on the issue of, can you establish different criteria in the specifications dealing with the economic differences between one jurisdiction from another, or not? Or just economic criteria.

Van Dyke: Ok. My conclusion has been that the state statute does not permit looking at those, what I call indirect. No matter how you describe them, I don't believe the state law allows us to take into account those kind of differences between local taxing differences from one jurisdiction to another when purchasing goods and services. We certainly can take into account the need to have something repaired quickly so that if the vehicle needs to be repaired in a certain time frame and that's more -- that can only be done within the city of Portland as opposed to the city of Gresham, we can focus on it that way. But those kind of what I would call indirect economic effects are typically not considered. Are not to be taken into account under state law.

Katz: Let me ask you another question. In trying to get to a resolution and a comfort level on the part of every member of this council, is that something that you can check back to the state to be very specific about their interpretation of the state law?

Van Dyke: Yeah. I can do that. I'll check a second time. I've already checked once with the attorney general's office, which has issued -- I don't think you've issued a formal written opinion, but I know they've been advising their clients that taking local preferences such as this into account is not permissible. I know the city of Klamath Falls ran into the same problem last year when they bought cars from a coast dealership rather than a Klamath Falls dealership, and they approached the Oregon state legislature to try to change that, because that was their interpretation as well.

Leonard: But again, it --

*****: I agree --

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Leonard: That's a different issue.

Katz: It's slightly different.

Leonard: If we can develop a reasoned set of criteria so that all of the things being equal, everybody can compete inside the city and out, and if somebody outside the city after taking into those considerations, still, those other factors, still is lower, they should get it. What i'm saying is, I just -- it doesn't make sense to me that we can't speak to the kind of revenue that's would be generated to us if we bought in the city. And it also seems unfair.

Katz: I don't think we're going to get it resolved today. So here's my request. There are a couple of issues here that I need to flush out before we decide what to do with this. One is, let's get a written opinion. Would that be satisfactory once we get a --

Leonard: Well, you -- here's the concern I have. I think if we had a direction to the city attorney's office to figure out a way to do this, we'd find out a way to do it. I'm concerned that there has been already an opinion drawn from some that may make an opinion just a forgone conclusion.

Katz: Ok. I'm trying here. Before we -- i'll get you in a second. The other issue is the safety of the automobiles. We need to deal with that issue and we'll turn to ron in a second. The third issue is what are we going to do. We have the need for x amount of cars, is it something that we can delay until all of these issues are cleared up, i'm willing to take it back again, so I need to understand the implications of not acting. I understand the implication of not acting under the state contract umbrella, but I need to understand the implications for the bureau.

Van Dyke: Let me just say that naturally i'm willing to explore all the nuances that the commissioner has suggested in a way to try to let us proceed down that path while still being in conformance with state law. So maybe we can try to develop that.

Leonard: I would rather have that kind of approach, where we try to figure out how to make it happen, rather than figure out why we can't do it.

Van Dyke: And I believe --

Katz: Before you continue, I need the sense of the council members if they want to proceed that route, because if jim can figure it out with the accretion colleagues at the city attorney's office, if it works, god bless them. If it doesn't, we're going to get sued. So we need to figure -- does the council want to do that or not? I'm willing to wait and get that from -- I was willing to wait and get an a.g.'s opinion on that written one, but if you want to pursue that, we can give jim instructions to pursue it. The council is going to have to respond.

Francesconi: There's two issues. If we can use our purchases to support local businesses we should do that. The issue of the business income tax, if you're paying extra that other cities especially don't have, and there's a way we can support our businesses who are doing that, that would be terrific. It is important that we actually follow the law, however, and I do trust that our legal opinion in that. I guess I was going to suggest that we also in order to accomplish the intent, the worthy intent behind commissioner leonard, if there's other ways to approach it in addition to the business income tax, that's the other thing i'd like us to look at. But then that does get into a larger policy question, because -- that we're going to need sue to talk to us about later. Which is, if we start doing this, will other cities do that, does that hurt our competitive advantage at a time we're trying to bring wealth in from outside into our city. And that raises a larger policy question. But I think that you should not only look at the business income tax, but give us other options that sets the stage for that larger policy debate.

Sten: I'm interested.

Katz: Ok. Work on it, don't bring it back until I see it, and get a sense that it passes some legal muster.

Van Dyke: We'll be glad to do that.

Katz: We're going to take this back. Before I take this back, I want to hear ron and robert, do you want to come up? Does anybody else want to testify?

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Francesconi: I don't know that we can change the criteria now that we've had the --

Katz: That's --

Leonard: We've never issued an r.f.p.

Katz: It's a state overall contract. Ok. Go ahead.

Robert King, President, Portland Police Association: I'm Robert King, the president of the Portland police association. Good morning. I've been -- it's nice to see you again. As you all know, I am very concerned about the health and the welfare of the safety of the officers, the police officers of this city. I'm also concerned about the safety of the crown victoria police interceptor. You may know that it has a long history of rear-end collisions that occur at high speed, which causes the fuel tanks, which are in the crumb many zone, so both be puncture and to burst into flames. And I've met personally officer Jason Shatterly from the state of Arizona, who suffered extensive burns, and the state of Arizona has worked with Ford Motor Company, the National Traffic Safety Board, other organizations like the National Association of Police Organizations, to identify what a fix is. Now, I recognize there are two other gentlemen who are here with me at the table, so as is the case in any issue that comes before you, there's a complexity to it, and a whole host of arguments on both sides of the equation. My point is very simply this -- there are police officers who are in the crown Victorias all across this city right now today that I believe to some extent are in harm's way because if they experience a rear-end collision, that there is a risk of fire and that they can either suffer serious physical injury or death as a result of that fire. And there are people who will tell you that there is a fix to this problem. The accidents are still occurring, the fires are still happening, police officers are still dying in these cars all across this country. And it can -- I can produce that information for you. I'm obviously very concerned about this. I recognize there's not a fix to this problem today. I came here to raise this, it's the first time I've been before you about it. I've corresponded with then chief Kroeker about it and have -- and it is a very real and legitimate concern of the officers of this city. There are a handful of fixes that are out there. Buy another car. Don't spend a million and a half dollars on a car that burns, a. B, provide a fuel tank bladder which has produced results in keeping tanks from puncturing and fuel from leaking and fires from happening. Or get Ford Motor Company, which nobody else in this country has been able to do, because they're a multinational conglomerate, even in the face of lawsuits, doesn't make changes to cars when people are dying in them, and the Pinto, as you all recall, is a great example of that, put the tank in a different place. It's ironic that Ford, Ford's parent company is Volvo. I don't know if you know that. It's ironic to me. Or it's reversed, Ford is the parent company -- it's one of the two. They have a relationship. At any rate, I'm here to raise that. I don't want -- I know you don't want police officers in this -- police officers in this city dying in cars in fires. I don't ever want to go back down to the wall at the waterfront front and add another name. So I'd like you all to work on this and address this, and I'd like to find a way to help you do that.

Katz: Thank you. I want to give a little bit of credit to Commissioner Saltzman, who raised this issue the last time, and was told that we had resolved it. So I need to put the rest of you on the spot on this issue.

*******:** Ok. Let me just --

Katz: Identify yourself for the record.

Ron Bergman, Director, Bureau of General Services: Ron Bergman, general services director. We certainly have no interest in putting police officers in harm's way either. We have worked very closely with the vehicle coordinator for the police bureau, with the National Transportation Safety Board in terms of resolving the issue. National Transportation Safety Board and Ford Motor Company have come to agreement on what a retrofit for this problem is. Every one of our current 300 vehicles has been equipped with that retrofit, which is a shield around the rear end of the gas tank to give it some additional protection. And so our understanding is that in terms of that resolution between Ford Motor Company and the NTSB, we have accomplished all of that resolution of the issue.

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Now, if there continue to be issues with the car, we can certainly research that with both Ford and NHTSA, and if there are other retrofits or fixes that need to be done, we can work with them in terms of making those adjustments as well. But as of today's date, we do not have anything from either of those organizations that there is a recognized approved retrofit other than the shield that we have already installed.

Katz: Do you want to respond?

Leonard: Is it part of this bid, though? The cost of that fix?

Katz: Why don't we let --

*******:** Our vehicle acquisition and disposable manager --

Don DePiero, Vehicle Services: I'm done, with vehicle services. Ford has come out with several fixes. There's a modification that Ron was talking about, there's a kit that they're automatically installing on all the new Crown Vics that protects the fuel tanks, plus there's a new trunk organizer.

What they found in a lot of these accidents were people were stowing their equipment in the trunks fore and aft, and it was being pushed forward and into the fuel tanks. So with this new trunk organizer, it's Kevlar, it helps prevent anything from puncturing through the fire wall and into the fuel tanks. Once again, we're purchasing that along with the vehicles. Those are two things that are out there to help the safety of the officers.

Saltzman: So the trunk organizer and the rear wall protection?

DePiero: There's a fuel tank protecting shield, they're automatically installing it on everything now, plus the trunk organizer.

Katz: I don't want to put you on the spot, but were aware that's what we're doing and are you still concerned about that?

DePiero: I am. I was at a conference in Washington, D.C. Last year with one of the vehicles that had the retrofit, and the trunk kit in Washington, D.C., and that car burst into flames. So to suggest that Ford has arrived at a fix that solves this problem is not true.

Katz: Ok.

Francesconi: I appreciate this concern about safety, because it does come first for our officers and our citizens. I think what we're talking here is about products liability, and there's national experts and national studies on this, and there's very capable lawyers that sue companies for products liability in defective rear-end collisions, including these kinds of explosions. So there's a body of knowledge out there on this subject, both nationally and internationally. I don't know that we can in Portland, Oregon, create a totally separate standard from a national issue, so it is important that we do some -- I'm not looking at Robert, I'm looking at Ron and you -- there's a standard of care out there that is, if it's violated, subjects the auto dealers to tremendous responsibility, especially anybody. So we need those expert opinions that are out there. And then we need to get the safest product and clearly there have to be extra points for safety as opposed to just the cost factor that have to be determined in the bid process.

Katz: Ron, what would you recommend doing with regard to this issue? I'm going to pull this back anyway to deal with the bid issue unless the council wants to move ahead on this particular item and then begin building the criteria. I think the council wants to explore it on this particular issue right now. So do the legal issue on the criteria, but I need to know how you feel about the purchase of these cars.

Bergman: I think if there are retrofits that need to happen, they are things that we can do to the car after purchase. Here's my concern in terms of the vehicle. The concern is, and we have a representative from the police bureau here as well, is, there's a need for these vehicles within the police bureau. We have some well-aged police vehicles that need to be turned over, again, for safety of the officer for cost to the police bureau, and getting a newer vehicle is important to the bureau. We are concerned about the cost and the close-down of Ford production line for the new product year. They typically give very short notice in terms of when that turnover is going to be.

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It's about this time, so they can begin to retool the assembly line for production of the next model year and have them available for their fall essentially opening of the next product line. If we miss that cut-off, we'll be buying the next model year at a higher cost, and that's the concern.

Katz: And when is the cut-off?

Bergman: They don't tell you in advance, they give you a very short window, a week or two, maybe at the most, but we're approaching that time of year when that cut-off occurs.

Leonard: May I address that?

Katz: Ok.

Leonard: I -- it's frustrating for me, sitting here, when we have discussions like this, we've had -- not exactly like this, but others like this where the decision is presented to us as a fate accompli. You have to do this now. I guess to respond to that, I -- I'm happy to do that when decisions like that are presented to us like that, but only if the answer -- the questions that I'm asking have satisfactory answers. So it is unacceptable to me that we would buy -- aside from the bid issue, that is another issue -- that we would buy police cars that we didn't thoroughly understand, or as come -- were as completely safe as the technology allows. And I'm -- from what I'm hearing, I'm not convinced that it is. And are there other police cars that are made besides by Ford? Does Chevrolet make them?

Bergman: Chevrolet used to make them. They no longer make them. Ford is --

DePiero: Ford is the only rear-wheel drive police vehicle on the market at this time.

Leonard: Who makes front wheel drive?

DePiero: Chevrolet has the Impala that's out there.

Leonard: That can be a police car?

DePiero: Yes.

Leonard: I'd look at Chevrolet.

Bergman: In the past the police bureau has been not interested in the front wheel vehicle because of handling and safety issues that they perceive from front wheel drive vehicle.

Leonard: I just think we need to ask these questions.

Bergman: Absolutely.

Leonard: If you don't like a front wheel drive car, does that mean you don't like it because you don't like it, or that they're really not safe according to statistics? And are they any safer than a car that explodes if they get hit, would be a good question to ask. I guess I'm saying, I'd like to have these things flushed out before they come here, that these questions be asked and answered.

Katz: Ok. Do you want to respond? And then who's here from the police bureau? Somebody make room for him, why don't you come on up.

Bergman: I certainly understand the policy issue of local preference in terms --

Leonard: I'm not saying -- that's not what I'm saying.

Katz: Let him finish. He may get to it. I know Ron, he'll get to it eventually.

Bergman: I apologize for mischaracterizing. Looking at the criteria for low-cost or value to the city, and I think that's important policy issue that probably does need to have some work looked at and a decision by the council. I guess I'm concerned about stopping this purchase at this time in order to do that work when that work could go on and we could make a policy choice about how that happens in the future for future kinds of actions. I just know that we have older age vehicles that need to be replaced for the patrol cars. And we're approaching that turnover period. Perhaps the police bureau has some additional comments.

Jim Shindler, Fleet Coordinator, Police Bureau: I'm the fleet coordinator with the police bureau.

Katz: Get closer to --

Shindler: And this is a very complex issue, and I've spent many hours dealing with this, and Robert and I have talked, and I've been in contact with other agencies throughout the country, and gone to

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seminars, and talked to Ford, and it's not a simple fix. There are some after-market issues out there, and depending on who you talk to, they either work or they don't work. Ford actually did some testing with the fuel bladder and they just didn't feel that it met the criteria of them offering it as standard equipment on a police vehicle. You talk to the -- and actually, the manufacturer of the fuel bladder is here in Bend, Oregon. Arizona particularly went to the fuel bladder, and I've talked to some people and they've had some failures in regards to that. There is an -- there isn't an easy answer here. We have concerns about our officers' safety. It gets complex because we talk about different vehicle platforms, and it -- rear-wheel drive has handling characteristics and size characteristics, front-wheel drive has certain characteristics. There's repair issues with front-wheel drive that end up costing you in the long run. We have looked at this, and right now that's why we have chosen to stay with the rear-wheel drive vehicle. Ford Crown Vic is the only rear-wheel drive police vehicle. We are ordering the trunk packs this year that add another level of protection to the vehicle. It all comes with a cost one way or the other, whether we lose a life, which I'm definitely, we don't want that to happen, or upgrade costs that we have to accept. Ford in 2005 is going to come out with an onboard fire extinguisher system that is their plan. They announced that last year. What's that going to cost?

Leonard: That's not terribly reassuring that their fix is to put an on-board fire extinguishing system.

Shindler: Exactly.

Leonard: I think we need to analyze the front-wheel drives.

Shindler: It's a complex issue in regards to performance --

Leonard: I appreciate that.

Shindler: And -- and maintenance. We've talked to other agencies that have problems with the front-wheel drive system. It runs your maintenance costs up so there is an overall cost. Damage --

Leonard: We're putting a cost on what it -- what might happen if a police officer dies?

Shindler: Exactly.

Leonard: I appreciate what your job is. What I'm suggesting, there might be broader costs to take into account that maybe you haven't factored in.

Shindler: We do factor --

Leonard: I'd rather pay more on maintenance cars, pay more money every year to maintain cars if they're front-wheel drive than to sit here and discuss about how a tragedy happened with a police car that was hit.

Shindler: I understand.

Leonard: That's my perspective.

Katz: Do you want to respond?

Shindler: I work hard on this, and it is a concern. We have --

Katz: Let me ask you the question, because I'm going to ask the council what they want to do in a few minutes. We don't -- if we don't order these -- in the council makes a decision not to go ahead and this particular item, and we miss the deadline, I don't know what I'll be able to bring it back, or when you'll be able to resolve this -- the safety issue, we can probably resolve the bidding -- the legal issue and get away with it or have somebody sue us on it, and we're willing probably as a council to take that risk. But I don't know how long it's going to take to resolve the safety issue, whether you would rather go with a front-wheel drive or -- or not, and I don't -- what's the condition of the cars now that we can delay the -- these order of the 70 cars and Robert, do you want us to delay the order of the 70 cars? Help us out here.

King: Here's the -- the way I was just to cut through all this, every police officer in the city wears a ballistic vest. And they're expensive. And the city pays for them. But they don't protect us they don't protect us from all the bullets that are out there that are fired at us. For example, if an assault rifle, round of shot is shot at an officer it goes through the vest and the officer is killed. My point is,

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we want the greatest chance at safety. And we recognize that there's a cost for that. And that in all likelihood, all things being equal, the bureau will recommend that we proceed with the purchase of the crown victoria because it's a rear wheel drive and for a whole host of other reasons, but my point is, there is a fuel bladder that provides -- has an increased measure of safety to which a measure of cost is attached that may get us closer to that risk which you are willing to assume in the lawsuit and the risk that we would then be willing to assume in our safety.

Katz: Fair enough. So the issue now is, with regard to the technology, whether it's the fuel bladder, or whatever we require. The car that's we're ordering have what? Do they have fuel bladder, or -- and what's more effective?

Bergman: They do not have a fuel bladder on them. They have the shield and they have the trunk organizer. We can certainly do research on the fuel bladder and work with the bureau in making a determination about retrofit of the bladder into the fuel tank.

Katz: Can we do that after we purchase the cars?

Shindler: Yes. The fuel bladder is an after-market, so that would be an install -- that doesn't come from the manufacturer.

Leonard: I guess, why would we buy a brand-new car knowing we have to do things to fix it? Why would we require that as part of the bid?

Bergman: We spend a very large amount of money onset-up of each one of these police cars in terms of lights and radios, and lighting and wiring, and cage installation. This would just be one more make ready function that we would have to do if we decide that it's the right thing to do.

Francesconi: So you don't want front-wheel drive, I take it?

King: I've driven it, and i'm apprehensive about. I can understand why officers would be. There's a handling concern at a high speed and it doesn't provide the same amount of room. What I would just throw out lastly is, if the fuel bladders are about \$2,000 apiece, and I don't know that, but if that's -- that's a round figure, and we're purchasing a certain amount of cars, that the cost of preventing the fiery death of an officer is worth the money that we would spend versus what essentially the point that commissioner leonard is making, that there will be a cost to all of us, and their families, later. And I think we want to pay the cost to make sure our officers are safe ahead of time.

Katz: I'm not going to allow this. There is nobody here on the council that wants not to spend \$2,000 to keep, or \$5,000 more to keep officers safe. The question is, which of the technologies will provide the greatest safety, and I hear disagreement on that. So I want to allow you to respond to, that because none of us here are experts in that area. Not right now. We don't -- we have a long --

Francesconi: We --

Leonard: We should also know the total cost. If we're paying \$1.5 million and we have to spend another \$200,000 to fix them, we should be doing that all at the same time.

Katz: Ok. So what does the council want to do? Do you want to act on this with the understanding that we'll deal -- we'll -- on any of the next purchases whether it's cars or anything else, we'll build the criteria to deal with the tax and the economic issue, or do you want me to pull it back and maybe lose the window of opportunity, maybe not, that's up -- i'm willing to take that risk. And then bring it back to the satisfaction of the entire council. So help me out.

Sten: What do you want to do?

Katz: What --

Leonard: I'd rather hold it back and have these questions answered before we vote on them.

Katz: Jim?

Francesconi: I'll defer to whatever you want to do on this matter.

Katz: You want to defer?

Sten: [inaudible]

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Francesconi: I want the issues addressed. If we can do it in a quick amount of time we should pull it. If it's going to take longer, then we should go ahead and trust that you're going to follow through on this.

Katz: I'm willing to take it back and bring it back next week. I hope that we don't miss the window of opportunity next week to resolve the safety issue. I don't think we're going to resolve the legal issue by next week, but we can try and make an attempt to do that. I do not want to wait any longer, because the -- we wait any longer, it's going to -- it could add up to a lot more money without resolution of any of the issues that you just addressed. Do you want to comment on that?

Shindler: I just want to make sure that if we do the retrofit in the new cars, we need to do it fleetwide over 300 vehicles, just because we don't want one set of cars out there and not have the same safety standard as the others.

Katz: You mean if we do any -- if we purchase the crown victoria with any new technology, we would have to do -- I would agree with you. That's not a problem. We have money in our budgets to do that.

Shindler: That would just -- yeah.

Bergman: We'll put some material for you.

Katz: I'm going to bring it back next week, and we'll get to the safety answer next week to see which technology provides the greater safety and we'll see what jim can do on the legal ones and get -- and i'm not going to wait for the legal one for next week if it's not ready, but I think we need to move on the cars before it end up costing us more money. Any objections? Hearing none -- [gavel pounded] ok. 183.

Item 183.

Katz: I'm going to ask for the motion for a substitute for this item.

Francesconi: So moved.

Katz: Do I hear a second?

Saltzman: Second.

Katz: Any objections? Hearing none, so ordered. [gavel pounded] we have a substitute in front of us. Let me tell you what that does in terms of our procedure. And the reason for the substitute, you're going hear that in a minute. In terms of our procedure, it is a first reading, and will not be able to be voted on since it's not an emergency ordinance until next week. I will only allow testimony from the public on the technical changes. We're not going to open up this for discussion. Primarily what this is for today is for response to a list of questions that the council had, legitimate questions, and the information that has been brought forth and the reason for the substitute amendment. And i've asked don and i've asked nancy and i've asked eric and i've asked harvey and i've asked ken, our experts in this arena. Ok.

Don Mazziotti, Executive Director, Portland Development Director: Mayor, don maziotti. You are here to approve the 26th amendment and extend the downtown waterfront district life by four years, meaning an expiration of debt capacity or the ability to issue debt. As the mayor indicated, first -- this is the first reading of an amended ordinance which was amended to achieve technical attributes that were not in the prior ordinance. The technical aspects which were added contain a stronger reference to the state statutes, provide several additional findings which are necessary to support the urban renewal statutes, and provide more specific reference to amendment procedure being followed, which bond council believed it was necessary to conform to state law and make certain that we had an ordinance that was reliable going forward when and if bond -- additional bonds should be issued. To respond to the question that's were posed by the council, we've done two things. First, we've -- where we could we've briefed each one of and you responded to your individual questions over the last several days. And we've studied the issues that you've raised before us, and for that purpose ken rust, the cfo inform the city, nancy mclain, the cfo for p.d.c., and harvey rogers, the city's bond council will answer each of those questions in order. You may know

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that harvey is an attorney at preston gates and ellis and has served the city as the city's bond council for about 20 years, and hideaway is the frankly the expert that we must rely upon for technical bond issues and have during the course of us constructing our responses. I will answer the first question that you put to us, which was, show us your time line for addressing the broader issues of examining urban renewal with total city focus, specifically the u.r.a.'s within the central city, defined as those renewal districts which are encompassed by or touched by the i-405/i-5 belt around the -- that defines the central city. We are beginning the effort to examine how the current central city urban renewal areas, and there are four, how they are laid out, their size, their shape, their success, their boundaries, and we are in the process now of scoping the -- such an analysis. We will consult with the planning commission and we will consult with you. We believe that we are likely to have a study committee organized by summer of 2004, this year, in several months. It can only be organized after we've gone through our budget process, because this will be a budget item that will require funding by the development commission in order to undertake the kind of study that will be necessary. We think that there will be preliminary findings in the fall or winter of this year, perhaps very early in 2005, that's what we're estimating. Between, it depends on where our research takes us. But that in any event, we would not -- we could come back with final recommendations no later than this time in will 2005. That's the general calendar that we think we will follow. We think it's a reasonable one. If we can accelerate it we will, but these are complex because it involves questions of the ability to move boundaries, collapse boundaries, reformulate entire renewal districts, and reform bond covenants and other complexities. So I think the time schedule is reasonable that i've just put before you. If I can now i'll ask nancy, ken, and harvey to come here and i'll take a back seat unless there are other issues.

Saltzman: On that -- just to clarify the time line issue, you'll look at the issues, including redrawing river district boundary to include old town-chinatown, and you said approximately a year from now p.d.c. will have made recommendations to us on that matter?

Mazziotti: We will make final recommendations not later than this time in 2005. That's what we think is the time required to work through all the issues. We don't know if we can answer that them quickly and if we can come to some focus more quickly we'll certainly do that.

Saltzman: So those recommendations will be free and clear of p.d.c. and before us in approximately a year.

Mazziotti: That would be my intention, commissioner. I can't sign that in blood, but i'll do my level best.

Sten: Is there any way to look at some of the river district districts a little faster? I'm worried about, there was a specific proposal that caught my eye, and I understand the need to do it all in context, but there was kind of two things, there was a bunch of technical question that's came forward that don't -- and then there was the bigger policy discussion of what do you do in a year. I would be interested -- this is friendly discussion, i'm not -- I think we're on the right track, but i'm interested in personally before -- sooner than a year from now getting a little more specificity to some of the river district technical issues so I can think of it -- think it through in that context.

Mazziotti: It's our intention to take your questions, to put those first in the issues that we would like to address. Secondly, those offered in public testimony to date and there have been letters and public testimony given by, for example, the Portland business alliance, the league of women voters, and other folks who testified on this subject, raising issues or possibilities. And we would take those serially. The first issue, in fact, is the question of, can we expand river district into china town-old town with what conflicts and flexibility. We'll provide you with all progressive report on our findings over time in that's what you'd like.

Sten: That makes sense, because we could -- if it turns out, for example, which -- I don't know, it's not technically feasible or it's just obvious it's not going to work, I think that would begin to shape the conversation that's will happen in a year one way, and if it looks easy, there would begin to go

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another way. Those are things we can engage people on as opposed to putting our parkers out there on ice for a year.

Mazziotti: Woe would -- we would certainly intend to do that.

Katz: It is my intention to have them respond to your questions first. Ok.

Mazziotti: Right.

Katz: All right. Come on up. Our expert team. Who wants to begin?

Nancy McClain, Portland Development Commission: I have question number 2, so I guess I will.

Katz: Why don't you grab the mic.

McClain: I'm nancy mcclain with p.d.c. A question was asked if p.d.c. would commit not to request that the city issues second set of bonds before all of the district boundary analysis is complete. And our answer is yes, absolutely. We will commit not to issue --

Katz: Commissioner Sten's not here, but he's -- I think you've answered that for him as well. We made that very clear last week.

*******:** Yes, we did.

Saltzman: Just a point of clarification, no bonding issued under downtown waterfront and river district?

McClain: No. Last time we talked we indicated that there were actually two series of bonds potentially going to be issued, a bond issued that needs to happen within the next year, or so, for about 46 million. Potentially. Another bond issue to go out to the maximum indebtedness, the figure of \$36 million was spoken to, or used, and we agreed that that issue would not be considered at all until all the boundary issues were looked at.

Saltzman: And that reference to downtown --

McClain: That refers to downtown waterfront, correct.

Saltzman: One of the issues, if you were to change the boundaries and put old town-china town into river district, but in the interim time you've maxed out on the river district on other projects, that would make the whole point -- we have not even addressed any kind of bond issues in the river district, and none are contemplated at this point. Not today.

Ken Rust, Director, Financial Management: Commissioner, ken rust, financial services. We just did a financing, the first financing for the river district earlier this -- it was sprung or so, summer of this year -- last year, 2003. It takes a certain amount of time for us to build up additional capacity based on bond covenants to be able to do another long-term indebtedness for river district that. Would not happen during the course of this study period, so I don't believe the decision that we're talking about, whether we choose to change boundaries or not, will be influenced by the timing of the next bond. So for river district and it shouldn't be a problem for downtown water of waterfront as well.

Saltzman: Ok. Thanks.

Katz: Go ahead. Keep going.

Rust: I have the third question, so i'll continue with that. A question was raised about what would happen if we chose to have downtown waterfront expire, what if the bonds weren't issued, what would happen to overlapping jurisdictions. It was a multiple question. I think it's important to know that the downtown waterfront urban renewal district did not have its date extended for issuing debt, obviously no more bonds would be issued. We currently collect about \$7.7 million of the divide the taxes revenues in that district. That was a decision made because it's an option three district. A big portion of the increment assessed value is right now we leased all taxing jurisdictions, about \$450 million of the increment assessed value already is returned to the jurisdictions like Portland f we don't issue any more bonds, they'll be paid off currently scheduled by 2020. At that point, the increment assessed value that generates that \$7.7 million will be returned to all taxing jurisdictions. So if we don't -- if we don't stunned the date and we don't issue

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any more debt, it could be as long as 2020 until that increment assessed value that we have captured in downtown waterfront is returned to the tax roll. If we issue additional indebtedness, then the typical term is 20 years. So if we issued it now, we'll be 20 years out if we issue it four years from now we'll be 24 years out until that additional value is released back to taxing jurisdiction. So a lot of the decisions that we've -- that influence overlapping jurisdictions have already been made overlapping jurisdictions already get the benefit of each dollar of new increment assessed value created in a downtown waterfront and changing the last date in which we issue bonds will delay when we actually return the \$350 million of increment that's currently used to divide the taxes in downtown waterfront. I hope that answers the question.

Katz: Ok.

Harvey Rogers, Bond Council, Preston Gates and Ellis: Good morning. I have the next question. I'm harvey rogers, i'm a partner with preston gates and ellis, and we're your outside provider of bond council services. My first question is, can bond proceeds be used for operating expenses, such as public safety expenditures inside urban renewal districts?

Katz: I think that was misunderstood. That was not where commissioner leonard was going.

Rogers: My apologies.

Sten: You've been misunderstood quite a bit.

Leonard: Consistently.

Katz: I don't want you to take time answering that.

McCain: I believe we answered his question yesterday, ken and I spent --

Leonard: We had a wonderful discussion where I think they better appreciated me.

Katz: Harvey, since you're very costly to us anyway, and you're here, and we're not going to answer a question that really wasn't meant to be a question, why don't you take an opportunity to give us some more information about anything you want with regard to these --

Rogers: I have another question. My other question is --

Saltzman: I think you should answer that question, because there are people watching who probably -- I think we all know that answer.

Rogers: The answer is no, yes. And that's expressly provided by statute outside of your control, and you don't have the option --

Leonard: But to make the point I was trying to make so that people don't misunderstand me, it was not that you could bond money, it's that money if we bond it, and this is the discussion we had yesterday, does reduce the amount that might otherwise go to the general fund of the county and the city that does fund services like officers that staff corrections facilities.

Rogers: There's a complex interaction that depends --

Leonard: And we don't need to get into that. We discussed that yesterday. But I believe the answer is yes. To what degree is open to debate, but, yes.

Rogers: My next question, I hope, is whether extending the life of the downtown waterfront urban renewal district could legally be construed as creating a new district or jeopardizing the option three status of that district, and the answer to that is no. The -- the rules are fairly clear about what you do to create a new district, and they the rules are clear about what do you to add territory to a district. They're different things. Adding territory would not create a new district and Oregon law expressly provides that once you elected an option for a district, you cannot change that option.

Katz: Does everybody understand the answer to that question? Ok.

Rogers: The next question was, in regards to, can p.d.c. and the city implement a boundary change where old town-china town could be shifted from the downtown waterfront and the river district under either of many scenarios, and again, the answer is yes, maybe, it's very complex, and we really do plan on looking at that as part of the questions, the first set of questions that we look at through this study. Because it's not just a yes-or-no answer. The next question that came from the council was what was the extent of p.d.c. public outreach on the extension discussion, and did we

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reach beyond the district boundaries, and we did. We actually had public hearings that were beyond just residents and businesses in the district, however, I have to say the majority of our comments did come from those citizens within the -- those businesses and citizens within the downtown waterfront district that showed up. So -- and that was all of the questions that council asked of us.

Katz: Does council have any other issues with regard to option 3 with regard to extending the district and changing the boundaries of either. Harvey or ken? Especially harvey while we have him here. Let me ask you, what is it we need to keep an eye out from a 30,000-foot --

Rogers: I think you're doing exactly the right thing. You're paying attention to what you're plan says, your plan has got a -- for issuing bonds, you're extending that date and studying what you ought to do with the financial power of district while it remains around. So I think you're doing great, and I don't have any other comments.

Katz: Ok. Ken, anything? Nancy? Ok. Thank you. Again, if there's public testimony, just to the issues of the technical issues, we are not going to open up this conversation any further than that.

Shelley Lorenzen, League of Women Voters: Shelly lorenzen, league of women voters. Thank you for the time you're taking to look at this. I think I understand you're not planning to issue any other bonds until we've had further study of the redraw and the other --

Katz: That's not quite accurate. There is a first set of bonds that we will issue, it's the second set of bonds that will be delayed.

Lorenzen: Well, I -- I guess we would urge you then to think carefully about that, because it could have impacts on the ability to redraw and take old town-china town out of the equation. To speak to the ordinance, there's some new language in paragraph 5 that talks about the continued and -- as the phrase, and continued rehabilitation and redevelopment as necessary to protect the public health, safety, and welfare of the city. I think the kind of the unspoken dialogue has been that we do all agree that old town and china town need further investment and rehabilitation. One of the unanswered questions that the league has is, how much of that \$46 million should you decide to approve it, is earmarked for old town and china town. I think that's an important question. So one approach would be to modify that language to limit it to the redevelopment of old town and china town if that's council's intention. And we'd certainly like to hear the answer as to what the \$46 million is earmarked for. Because there's been a lot of talk about old town and chinatown, but we don't know what the division of funds r the second comment on the ordinance is under paragraph 7, which says the city shall assume and complete any activities prescribed to it in the plan. That I guess is to me a little bit vague, especially if you want to keep the option open to fold old town and china town into the river district. Soy just wasn't sure what the intention of that language is. So I guess those are the comments. I guess, again, we're very concerned that if you start drawing any debt down without figuring out first what you want to do with old town and china town, you may limit yourself and I think this gives council an opportunity also to ensure that any bonds that are drawn down are pledged to the project that's you want them pledged to.

Katz: Thank you. Don, do you want to come up and respond to that? I think the one issue is the concern of selling any bonds, and the other issue is the projects which you go through a long process in regards to that.

Mazziotti: With regard to where will the bond proceeds be spent, they will be spent in the district as defined and pursuant to the plan which is enacted and in place. So, for example, while our commission and our sense of the community's interest is clearly on old town-china town, whose boundaries are -- lie on both sides of burnside historically, we would not want to say we'll spend nothing, for example, on naito parkway should improvements on the length of that parkway and some are necessary and anticipated, be spent during the period. So while the focus is clearly old town-china town and portions north, frankly, of the burnside bridge, I would be misrepresenting the circumstance if I said we would spend no funds on other parts of the district which of course are

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also those portions of the district that increase valuation and have some expectation of continued improvements districtwide for the life of the district.

Katz: Harvey?

Rogers: My part is just the boring part. Shelly referred to the language that is in some of the findings. This language is required by statute, it is a condition of your approving this amendment. So you could add explanatory information to it, but the state law doesn't allow to you change the findings themselves.

Katz: Ok. All right. Further questions by the council? If not, we'll move this to second and --

Francesconi: I want to make a comment before you do that. I didn't do this last time, so I want to be clear on my position on this. First, I appreciate all the work not only by the staff, which i'm going to come back to, but also by the citizens here. I think what harvey said was right, the question is how do we use the financial power of the district. Another way to phrase that is how do you -- who benefits from the financial power of the district. And the reason that we support this temporary extension of only four years as opposed to beyond that is because we have some folks that need it. The issue of low-income housing is not going to go away, and it's gotten worse, specially at -- especially at 0 to 30%. We have opportunities to address this with the financial power of the district if we renew it. The second is old town-china town remains blighted, but another way to look at it, is there's some great opportunities there to benefit the residents and the people that have lived there and struggled for a long time. And then the third and don touched on it, is here's an opportunity to create jobs, and housing that are citizens need which create value which because it's a capped district, 50% district, that it will generate more money for schools and Multnomah county. If we make the right investments that produce an increase in value, the people were we're trying to serve outside the district will actually get more money. And that's why we've gotten letters from Multnomah county and Multnomah county education district. But the last reason, I also support, we're only doing it for four years and we're not going to do those second bond sales because the idea of redrawing the boundaries in a more precise manner does make a lot of sense. And I really appreciate p.d.c.'s changing gears from my perspective, maybe you weren't changing gears, but you're changing perspective to really look at the redrawing of this. And I guess the last thing I do appreciate the league's involvement in this, because they made us more precise and clear in our thinking, but I want to especially thank the p.d.c. Commission. It's ok that we don't agree on everything. But what I really appreciate is how they aired all the issues. I thought janice wilson's testimony at the beginning of this whole process was very, very good. And she laid out the reasons that I just did more articulately than I just did. So for all those reasons, i'm going to support this.

Katz: Ok.

Mazziotti: If I could just second that. Commissioner wilson was fantastic through the whole process.

Katz: Absolutely. She took this one on herself, and made sure that the jurisdictions had an opportunity to discuss this and made a commitment to us both matt and janice made a commitment to us that they will be reviewing the extensions and all the issues that the council and others have raised. So thank you.

Leonard: I want to add, I appreciated the discussions I've had in the last week with people from our own bureaus, but also p.d.c. staff. I think both sides, myself included, better understood each others positions. While I will not be supporting the extension, I appreciate the discussion. It's been very healthy. I've learned some things and I think maybe others have understood that those of us up here need to consider what the p.d.c. wants to do, but we have this broader range of issues we're responsible for that impact those as well. So it's been a good discussion and I have really enjoyed it.

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Katz: Thank you. Thank you for clarifying option 3 issues for us. That was a critical piece. Thank you. Let's get on to regular agenda. Item 202, and it is an emergency, even though there isn't an asterisk on your calendar. It is an -- there is an asterisk in the book.

Item 202.

Ron Bergman, Director, Bureau of General Services: Ron bergman, general services director. This item is the title indicates is to authorize competitive r.f.p. Process for the attendant services in our garages and manage of management of our surface lots.

Katz: There's a lot of noise. Ok.

Bergman: The current contracts that the city has for the attendant services has an expiration date coming up in august, but it does have one more extension period that the city could exercise if it so chose. The attendant -- the surface lot contract will expire in january, and it has some extension periods on it as well. The intention of going to r.f.p. at the present time is really a stage process, as you know, the garage fund has been having some financial health issues, and we need to work as much as we can to reduce the expenses if we can. Sometime within the next 12-month period we will have to address the revenue picture of the fund and I think before we do that we need to explore every way to reduce costs if that's possible, and doing an r.f.p. at this time would allow us to have that under our belts before we have to look at the revenue side.

Katz: Questions? All right. I'm sure you'll come back. Let's open it up for public testimony.

Greg Goodman, President, City Center Parking: I don't know if you guys received letters from the retail council.

Katz: We did.

Goodman: I brought some copies. Thank you for the opportunity to be before you today. My name is greg goodman, i'm president of city center parking. I want to touch a little bit, I want to go back in history a bit. The r.f.p., the original r.f.p. took place in 1999. The selection committee was appointed by the bureau of general services, not the -- at that time association for Portland progress, and city center parking won the contract. I'm going to try to go fast because i've got a lot of information to cover. We competed against numerous operators, a few of them who are in this room today. City center parking was judged by the selection committee to be the best. We were -- had the highest number of points. We were also the lowest cost provider. The contract was awarded for three years with two one-year extensions. I'm here to tell you that in our opinion, city center parking should be awarded the second one-year extension. And as ron testified, there's no problem in doing that because it's very easy to hook the other contracts up simultaneously in a couple of years. First I want to talk about the job we've done. Even with the decline in revenues over the past couple of years, everybody knows about the general business environment here, our revenues since 1990 have increased -- increase bide 4.67% per year. That's twice inflation. The retail community as you know supports us because we've done an excellent job. I also want to talk about some stuff that what we consider to be really the quantifiable value added. It's easy for me to tell what you a good job we've done, but I want to talk dollars and cents. First, in recent times the current manager of the smart park system, I gave all of you a copy of the emails between that manager, ourselves, and ron bergman and myself regarding what i'm talking to you about, but recommended that the rates, because there was so much vacant space in the garage, be lowered. But the numbers they put together weren't correct, and they miscalculated the number of all-day cars in the actual cost. I alerted ron to the mistake in the numbers. Ron said we need to look into it, we did look into it, and the daily sheets had been read wrong. And if we hadn't alerted b.g.s. to that, and I don't mean any fault to b.g.s., if we hadn't alerted them to that and had the correct numbers go through, would it have cost the city about \$20,000 a month in revenue. We also recently recommended that the rates be changed on the evening/weekend rate at the old town garage. Remember, rate recommendations aren't part of our responsibility. We're the attendant services, but we're trying to go beyond the call of duty. That rate increase will change and put \$7,000 more

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bottom line into the city's pocket every month with no additional expense. We also recommended that the city start taking monthly parkers a few months ago at the Portland auto port, the first and jefferson garage as it is referred to. You are making \$10,650 per month of additional money due to that recommendation. In total, are you making just those three things because of stuff we brought to the table, \$37,000 per month. Now let me talk real briefly about -- can you hear me if I stand up? About the operating expenses here. I think you have to understand how much of the operating expenses are actually variable. First just as a point of reference, the garages last year did \$7.35 million. As you can see, that excludes the Portland building, which actually generated revenue, but it wouldn't be fair to keep that in. There were roughly \$3 million customers. The expenses were \$1.235 million. However, out of that million two, \$1.82 million are dictated by the city. They tell us how much we should charge people. Our portion was \$153,000 out of the \$1.2 million. Then you go down and as part of the city requirement, we were required, any parking operator is required to pay for general liability insurance, garage keepers legal liability insurance, supervision, bonding, and other expenses out of their management fee. Which was fair, everybody competed on that. Our cost there, our actual out of pocket cost is \$106,000. That leaves \$47,000 for the year. Ok. Remember, we just made the city \$37,000 in a month. This is \$47,000 a year before general administrative in our office. That works out to \$653 per lot per month, or if you refer to the \$47,000 as .60 out of the total garage's income. So it's therefore our opinion that based -- I think it's appropriate to award -- reward good performance. There has never been a time in the past where the city hasn't extended this contract. This would be the first time that they haven't extended the contract. You're not bidding willing it's here, because somebody says they can possibly run it for cheaper, there's no guarantee. It's not widget a versus widget b. There's a service you're getting. And a value for the service. We're a low-cost provider, we want to bid, and the retail community supports us, and at the same time I want to thank you for the opportunity to have return them to date, and we look forward to hopefully being able to do it in the future. I'm happy to answer any questions you might have.

Katz: Why don't we just leave -- let the public testify, and if we have questions we'll come back to you.

*****: Thank you.

Moore: Nobody signed up.

Katz: Anybody else want to testify? Come on up.

Virgil Oval, Star Park: Virgil Oval with star park. I want to say that today there's three other parking companies here today that are very eager to bid on these garages, and would like to also remind council that there has only been one operator for most of these garages since the times they were built. I do believe in people getting rewarded for the type of work and beneficial work in the city's best interest, but I also feel after 20 years companies can get stale, and we need a fresh look in the garages -- companies can get stale. We have again diamond parking, amco parking and star park that would be interested in taking a look at the r.f.p. process. We do believe that there are cost savings to the city, and we think through this process you're not really -- you're not changing from city center parking, you're just issuing an r.f.p. To look and see what other opportunities are out there for the city to have these garages run in a much improved manner as far as efficiency of cost and just innovative, fresh approaches to how these garages are being operated. The garages that we took over with our management of the contracts for those garages, we found when we took over the garages last July that the garages have been severely neglected in a lot of different areas, there was no attention to rate adjustments, we have an all-day rate in the city garages that's \$4 above market rate. The city garages need to -- we've been working with b.g.s. and meeting with them weekly about ways to provide new income for those city garages. It's a city asset, and I think that they should be ran to the highest benefit for the city.

Katz: Thank you.

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Roy Jay, Alliance of Minority Chambers: Good afternoon, good morning. Roy jay, alliance of minority chambers. We are a joint venture partner in the management of the parking garages. I have listened to the testimony and I would just really urge you to move forward with this r.f.p. remember when we first came to you last year on this, we told you this was not going to be an easy task. We've had to do a lot of housekeeping, a lot of clean-up. You remember that your own report indicated that these garages were losing \$250,000 a year. They were hemorrhaging. We have tried to do as much as we can to reduce the cost. This is the next step in order to try and reduce the cost. I do applaud mr. Goodman for bringing his graph and charts, but hopefully that should have been four or five years before, that would have saved us a whole lot of money. At this point in time, we've had a lot of problems that les has said trying to clean up from the past. I want to bring to your attention all the monthly parking through the smart park garages that was written off because merchants had not paid, or they were delinquent four and five months. These things will not be tolerated under our management. And there was just no excuse. This is money to the city that should have been paid on a regular basis. This is just one of the reasons that we need to move forward with this r.f.p. in order to put this whole operation back on track. I applaud the effort and everything else has been done in the past, but it's time for us to move forward and make this a profitable venture instead of another \$250,000 a year loss. Thank you.

Katz: Questions? All right. Anybody else want to testify? Come on up.

Lance Pool, Diamond Parking: My name is lance pool. I'm the city manager for diamond parking in Portland. Basically I would just like to let you know that we are here and ready to bring our 80 years of experience located in eight different states to the table if an r.f.p. does come available.

Katz: Thank you. Anybody else? Ron, come on back. I think there are questions.

Francesconi: I'm sorry I missed your presentation. You may have covered it. Just a couple. Is it true that this is the first time that we won't grant an automatic extension?

Bergman: That's my understanding. I haven't been with the city the full 20 years, but from people that i've talked to, that's my understanding.

Francesconi: And is the current contract, it's being run well and have those savings actually happened that were testified to by --

Bergman: The work that city center parking has done for us has been very good. I have no complaints about that. The relationship that we have with city center parking is very good. We have good communication, and I applaud their efforts to make recommendations for us. I think the issue is really in terms of being not an issue about the quality of their work, but an issue of, is there a way to look at some of the cost structure of the garages and streamline that cost structure for us. We know that sometime within the next 12 months we're going to have to look at the revenue side, and in just in terms of my experience in dealing with revenue issues, that before you face the public with revenue issues, you really have to have done all you can to look at the expense side. And I have no way of knowing how the results of the r.f.p. process are going to come out in terms of whether we will or we won't save money. I can tell you that our experience with the -- when we did the management side of the contract last year, that question ended up savings about \$300,000 to \$400,000 a year in that process that. Demonstrates that the marketplace can work for us, and I think before we face the larger issue of the revenue side, that we ought to demonstrate the that we have looked at under all the rocks for all the possible savings.

Francesconi: And obviously revenue is important, especially when the garages are losing money. Quality of service is also important. So I think what you're saying is the quality of service has been good from the current contract. How about on the other side? House the -- how's the quality doing with the star park arrangement?

Bergman: Star park is a knowledgeable organization. There have been some transition issues, learning curve kinds of issues that we are working through. I am confident that the organization is

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addressing the issues that we have had, they're very easy to work with, they're ready and willing to address issues that we raise with them. We've been spending a number of months trying to streamline the data system to generate the right kind of data for us for analysis that was kind of the bottom line problem of the -- that we had on kind of the proposal issue, but we've got that, we're now -- we've now got all of the garages wired up with high-speed access so that we can download the computer data on the usage of the garages, it can be monitored on a real time basis, and so I think we're now positioned and have dealt with some of the issues that we faced over the last six, seven months.

Francesconi: The reason i'm asking both these questions is the extra jilt of the downtown retail environment right now. So the ultimately, it's the taxpayers that we have to be most concern. But the downtown retailers are also our customers here, so I know that you also keep in touch with them. Are you confident that they're being -- they'll be well served? I guess that's the last question.

Bergman: The -- you'll notice as part of this, this is not a low bid process that we are undertaking. It is a request for proposals that exempts it from the competitive bidding to go to a competitive r.f.p. process that allows us to look at things other than cost. So we look at quality of service, we'll look at diversity, we'll look at a whole host of issues that deal with things besides cost, but cost is a primary factor for going into this process.

Francesconi: Ok. Thank you.

Katz: Go ahead.

Saltzman: Tell us, what are some of the elements of evaluation in the new attendant services?

Bergman: We are still finalizing the draft r.f.p. We expect to have that done in the next couple of weeks working with purchases on that, but certainly experience of --

Saltzman: Are there things that are dramatically different from the r.f.p. issued in, or awarded in 1999?

Bergman: It's not our intention to do things dramatically different. We may look at some of the point spreads and what have you, but basically the same kinds of issues.

Saltzman: And I seem to recall in the management contract you had a pretty broad-based evaluation committee.

Bergman: On the management contract, that's correct.

Saltzman: Have you taken the same effort here on the -- have you formed the evaluation?

Bergman: We have not formed the evaluation committee at this point. I think our intention was to try to get parking management expertise there because it is essentially a subservice to the overall operation. Clearly customer service is the -- and accuracy of reporting are the -- probably two critical elements that we have with this contract, and those will be the areas that we'll be monitoring and looking at in terms of the review.

Saltzman: So would you have people I assume representing the retail community?

Bergman: We could very well have that, yes.

Saltzman: I'd like to see that.

Bergman: That would be fine.

Saltzman: I'd like to see ordinary citizens.

Bergman: That would be fine.

Saltzman: -- on this as well. Shoppers. But I guess -- if there's nothing dramatically different in the new r.f.p. from the old one, we're just hoping basically for --

Bergman: We're hoping the marketplace --

Saltzman: More sets of eyes to look at this issue and get everything on sync, the other contracts all on the same timetable. Is that --

Bergman: On a single time frame to streamline the management of the organization. Each contract that we have when you have multiple contracts has a component for management of that

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contract, or cost to us internally to the city for issuing separate r.f.p.'s for doing separate payments, for doing separate management, collecting insurance certificates, every time you have a separate contract. Our strategy has been to streamline the operation of the garages by simplifying these contracts and lurching them together so we have a fewer number of contracts to manage.

Saltzman: And hoping for a low management fee.

Bergman: You bet.

Saltzman: Ok.

Katz: Ok. Further questions? If not, roll call.

Francesconi: Well, I think competition is good. I think the fact that we have a good operator here performing good work puts us in a tough situation. But I think the crisis given in the funding of the garages at the moment and the fact that competition is good is the reason i'm going to support this. But having said that, it is very important to me that we take into account the quality of service. That's not a disparaging remark on the new operators, don't take it that way. I'm saying it because i'm concerned about the retail community right now that's really fragile. So as you're doing the concern about lowering costs, which we have to do, I want to make sure that the quality, the retail community remains in the criteria. Which we open this up. Because I think that it is very, very important. Aye.

Leonard: I agree. I think we should do each of our functions as a city in a way that always assures us we're being efficient, and getting the most bang out of the dollar. This would be one example, but I think there are other examples where we could do that as well. Aye.

Saltzman: I certainly think the current operators are doing a good job. I think the issue before us of a precedent in terms of ignoring a one-year extension or going to competitive before the ordinary time. Probably is warned by the situation that there are new operators now who want to get into this business, and I think it's incumbent upon city government when -- to always subject what it's doing, its services to the marketplace, making sure that we assure quality, levels of service and things like that through who we solicit in the r.f.p., and more importantly, that we get a broad base of people on that selection committee. And the situation we are losing money, we have to look at ways to try to remedy that situation. Aye.

Sten: I've been torn on this. I think as a general rule we want to give contract extensions when people earn them, otherwise there's no point in putting them in there. It's an incentive for people to do good work. But i'm a little torn on this. I do think the argument, given there's a lot of politics, a lot of substance going on in the parking world to get these on to a similar time line, and kind of have the competition, even though I could see extending it another year, we would have the competition at that point. So I think i'll go with your recommendation and do it now. Aye.

Katz: We are probably going to be looking at the price structure in garages, and if -- if, I underline "if," if we need to make some adjustments going up, I agree with whoever testified, I think it was jay, that we have an obligation to review the contracts and make sure that we -- they are efficient and that we can make some adjustments if possible to lower the cost. I don't know if we really have an issue with what was raised with regard to the retailers if they are or not paying what they need to -- need to pay. So i'd like that to be reviewed as well, and making sure that everybody who uses the garages are actually paying us. Before we raise the rates for the citizens in this community. I do think that we need to have an evaluation committee that's broad-based but certainly not with people that have specific interests, and certainly not with folks who are going to be competing. Aye.

[gavel pounded] all right. 203.

Item 203.

Francesconi: I've asked that this be reset for two weeks, if that means pulled back or I don't know what that means. Continue for two weeks. Let me explain why. We brought this ordinance before judge hagerty ruled on our park exclusions, so we just got his decision. And so we were trying to narrow it before his decision. And so what we're trying to do here is park exclusions are important

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to us because basically the county is not prosecuting or incarcerating some of 0 -- some offenders that make parks and community centers unsafe for families and children. On the other hand, we have to increase our constitutional protection that's we provide for our citizens regarding free speech and the use of our parks and open spaces. So we were proceeding in one direction in ordinance 203, but basically I want to put in more constitutional safeguards. And so i've instructed harry to redraft the ordinance because in its present form it's not something I can support either. And so I want to try to -- I want more constitutional protections at the same time as we keep the tool to exclude folks that are a danger to families and children in our community centers and parks. So that's why I had it pulled back. And harry's working on it, and we're going to present it in two weeks.

Katz: Let me -- i'm going to support that, but i've got dave --

Harry Auerbach, Sr. Deputy City Attorney: We're all working --

Katz: We're all working together on that. I guess the question is, we can -- we can do some fixes to meet the one judge court ruling, but we're not sure that we can do it all, and we may have to appeal the decision. So we don't know that yet, the city attorneys have not thoroughly analyzed the court decision, but as harry was quoted a year ago that we've basically won all of these cases going up through the courts, whether this one is different or not, isn't quite clear yet.

Leonard: I'm really happy that -- about this discussion, because I was thinking I had to vote no on this today. So i'm really gratified that you're concerned with those constitutional issues. And just as you're drafting it, just from one person's perspective, and qualifying this with understanding that it may not have been entirely accurate what I read in "the Oregonian" about the facts in the case, but it alarmed me. And I cannot support any revision that doesn't allow people to go and gather signatures, or do those kinds of things, and on that basis excluding people or sitting something down and excluding them for that reason really alarmed me.

Francesconi: That's the part that alarmed me too. And so we are trying to address it beforehand, but we want to do more in that regard. But I do want to tell the council, give us a little advance notice, that there are some specific hazards to our -- in our community centers and in our other places presented by some folks that have -- are very different from the facts in this case. And that's why we want to narrow this.

Leonard: And I appreciate that. Like I say, i'm just gratifying you're having this brought under discussion, because it's right where I wanted to go.

Katz: Again, this is a balance, and we'll get there. And we may have to get there two ways. One, to do the fix, and make sure that we protect the constitutional rights of citizens, and -- and two, do that and then maybe also appeal, because it does impact other exclusions which are the drug-free zones and prostitution.

Leonard: And on the appeals do we discuss that as a council?

Katz: Yes.

Francesconi: We're going to present that back too. And the time, there's not a final order, so there's plenty of time.

Katz: Ok. Any objections? We'll continue it in two weeks. Hearing none, so order. [gavel pounded] and I would ask carrie that you and dave brief every member of the council.

Auerbach: That is our intent.

Katz: Ok.

Auerbach: And if you have specific concerns that you want us to look at as we're going through the process in the next week or so, please drop me an email or something.

Leonard: Mine just so you know would be whether or not to appeal at all. Given what I know. But I have to understand these impacts --

Auerbach: I'd like to have the opportunity to talk to you about that.

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Katz: Ok. Good. We will -- this is -- that this has other implications. This is a case that really doesn't reflect the true uses of the exclusion. So that we need to make sure that we have the tools to deal with the problem areas within parks or communities. Ok. Item 204.

Item 204.

Katz: Before -- this should have been on consent. It was on consent last week. Roll call.

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

Katz: Mayor votes aye. [gavel pounded] thank you, everybody. We stand adjourned.

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