



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **5TH DAY OF MAY, 2004** AT 9:30 A.M.

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

Commissioner Sten arrived at 9:30 a.m.
Commissioner Saltzman arrived at 9:31 a.m.
Commissioner Leonard arrived at 9:32 a.m.

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

Items No. 447, 450 and 457 were pulled for discussion and, on a Y-5 roll call, the balance of the Consent Agenda was adopted.

COMMUNICATIONS		Disposition:
440	Request of Dr. Dapo Sobomehin to address Council to plead for the African American youth (Communication)	PLACED ON FILE
441	Request of Diata Rhodes to address Council regarding HIV prevention for community members (Communication)	PLACED ON FILE
442	Request of Teresa Dulce to address Council regarding Hepatitis A prevention for community members (Communication)	PLACED ON FILE
443	Request of Michelle Keil to address Council regarding Hepatitis B prevention for community members (Communication)	PLACED ON FILE
444	Request of Sarah Short to address Council regarding Hepatitis C prevention for community members (Communication)	PLACED ON FILE
TIME CERTAINS		

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<p>445 TIME CERTAIN: 9:30 AM – View the Schools Uniting Neighborhoods Community Schools Status Update (Report introduced by Mayor Katz and Commissioner Francesconi)</p>	<p align="center">PLACED ON FILE</p>
<p>446 TIME CERTAIN: 9:50 AM – Designate Oaks Bottom Wildlife Refuge as a Migratory Bird Park with commitment to protect and enhance habitats for migratory birds (Resolution introduced by Mayor Katz and Commissioner Francesconi)</p> <p>(Y-5)</p>	<p align="center">36210</p>
<p align="center">CONSENT AGENDA – NO DISCUSSION</p>	
<p>447 Accept bids of McCain Traffic Supply, Coral Sales, Capital Enterprises and APT, Inc. to furnish annual supply of traffic signal hardware for an estimated \$992,504 (Purchasing Report - Bid No. 102605)</p>	<p align="center">REFERRED TO BUREAU OF PURCHASES</p>
<p align="center">Mayor Vera Katz</p>	
<p>*448 Terminate the franchise of Global Crossing Local Services, Inc. (Ordinance)</p> <p>(Y-5)</p>	<p align="center">178361</p>
<p>*449 Pay claim of Downtown Development Group, LLC (Ordinance)</p> <p>(Y-5)</p>	<p align="center">178362</p>
<p>*450 Authorize an Intergovernmental Agreement between the Housing Authority of Portland and the Bureau of General Services to work together to redevelop the former Columbia Villa public housing site (Ordinance)</p> <p>(Y-5)</p>	<p align="center">178376</p>
<p>*451 Create a new Nonrepresented classification of Security and Emergency Management Program Manager and establish a compensation rate for this classification (Ordinance)</p> <p>(Y-5)</p>	<p align="center">178363</p>
<p>*452 Create a new classification of Laboratory Production Specialist and establish an interim compensation rate for this classification (Ordinance)</p> <p>(Y-5)</p>	<p align="center">178364</p>
<p>*453 Increase maximum amount of short term subordinate urban renewal and redevelopment bonds (Ordinance; amend Ordinance No. 177189)</p> <p>(Y-5)</p>	<p align="center">178365</p>
<p>*454 Approve settlement with Kerr Construction, Inc. regarding the SW Parallel Interceptor Segment 1 Project (Ordinance)</p> <p>(Y-5)</p>	<p align="center">178366</p>
<p>*455 Authorize agreement with Portland State University to acquire research and evaluation services related to transportation safety (Ordinance)</p> <p>(Y-5)</p>	<p align="center">178367</p>

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*456 Authorize contract with Fred Hutchinson Cancer Research Center for the City to provide a fund-raising mountaineering class and climb to be conducted by Portland Parks and Recreation Outdoor Recreation program (Ordinance) (Y-5)	178368
*457 Authorize contract with Scoreboards Northwest to build and maintain a scoreboard structure at the Eastmoreland Golf Course (Ordinance)	REFERRED TO COMMISSIONER OF FINANCE AND ADMINISTRATION
*458 Extend contract with CH2M HILL for services during construction at the Columbia Boulevard Wastewater Treatment Plant (Ordinance; amend Contract No. 30306) (Y-5)	178369
*459 Extend contract with CH2M HILL for instrumentation and control services at the Columbia Boulevard Wastewater Treatment Plant (Ordinance; amend Contract No. 31596) (Y-5)	178370
*460 Authorize an agreement with Portland Public Schools and Bureau of Environmental Services to provide installation of rain gauges (Ordinance) (Y-5)	178371
*461 Accept donation of a Honda Rancher 4x4 All Terrain Vehicle from the Shirley Ann Foundation (Ordinance) (Y-5)	178372
462 Grant a right-of-way use agreement to AT&T Wireless Services of Oregon, Inc. for three years for mobile telecommunications services and establish terms and conditions (Second Reading Agenda 304) (Y-5)	178373
463 Grant a right-of-way use agreement to VoiceStream PCS I, LLC for three years for mobile telecommunications services and establish terms and conditions (Second Reading Agenda 305) (Y-5)	178374
464 Amend Intergovernmental Agreement with State of Oregon Department of Environmental Quality to extend the expiration date and update provisions for the Columbia South Shore Well Field (Second Reading Agenda 429; amend Contract No. 51697) (Y-5)	178375

REGULAR AGENDA

Mayor Vera Katz

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<p>465 Consider vacating a portion of the NW Gurney Street south of NW Midway Avenue and north of NW Mills Avenue, at the request of Jeff Compton (Hearing; Report; VAC-10017)</p> <p>Motion to approve and to prepare an ordinance for a hearing: Moved by Commissioner Leonard and seconded by Commissioner Francesconi.</p> <p>(Y-5)</p>	<p align="center">APPROVED CITY ENGINEER PREPARE ORDINANCE</p>
<p>466 Accept approvals and denials of the Limited Tax Abated Single Family New Construction, Rental Rehabilitation and Owner-Occupied Rehabilitation Properties from January 1, 2003 to December 31, 2003 (Resolution)</p> <p>(Y-5)</p>	<p align="center">36211</p>
<p>467 Adopt the Third Amendment to the North Macadam Urban Renewal Plan to establish authority to acquire the property at 3508 SW Moody Avenue, including by condemnation, if necessary (Ordinance)</p>	<p align="center">PASSED TO SECOND READING MAY 12, 2004 AT 9:30 AM</p>
<p>*468 Authorize a contract with Silver Oaks Solutions to provide professional and technical services for strategic sourcing project (Ordinance)</p> <p>(Y-5)</p>	<p align="center">178377</p>
<p>469 Direct the Office of Sustainable Development and the Office of Cable Communications and Franchise Management to prepare a proposed franchise agreement with Portland General Electric in coordination with the City Attorney Office, Office of Transportation and other bureaus (Resolution)</p> <p>(Y-5)</p>	<p align="center">36212</p>
<p>470 Grant a 10-year property tax exemption to GSL Properties, Inc. for new multiple-unit housing on the block bounded by NW Naito Parkway, Ironside Terrace and the access road on the west side of the Yards at Union Station development (Second Reading Agenda 417)</p> <p>(Y-5)</p>	<p align="center">178378 AS AMENDED</p>

At 10:51 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, MAY 5, 2004

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

May 6, 2004

THURSDAY, 2:00 PM, MAY 6, 2004

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

**Please note Ordinance Second Readings for Office of Neighborhood
Involvement and Bureau of Development Services reassignment of
duties have been rescheduled to May 26, 2004 at 3:30 PM.**

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Closed Caption Transcript of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

MAY 5, 2004 **9:30 AM**

Item 440

Dr. Dapo Sobomehin: I'm here to speak on behalf of this young, attractive, good-looking, young men and women in our community, ages 16 to 23. They came out of our school system with 1.2, 1.3 g.p.a. And they're running around in the community doing nothing. They're not working. They're not doing anything. But we have to thank god, though, that they're not creating any problem. But I began to realize it's a shame on us. It's just a shame on this city, but they happen to be african americans. And they were born here in Portland, Oregon, native. Born here. They've been in this country for 300 years. I don't like what is happening to them, ms. Mayor, and the commissioners. I don't like it at all. I don't like it at all. I have been invited to a place in woodburn where you lock them up, mclaren. I couldn't believe what I saw. I couldn't believe what I saw. Young african american, attractive, good-looking men, uneducated. They can hardly read. I want you to be with me, as I have commissioner Francesconi working with us, I want you to do something about this young men and this young women in this community, because it's truly unacceptable to us. And it should be, to all of you, unacceptable, they're too loose, they're too free, running around, doing nothing. We have to make them to be contributory member of this community. They have to make contribution. They have to participate in the process, because they're somebody, they're people. So, please, please, let's do something about this young people.

Katz: Thank you. Ok, item 441.

Item 441

Diata Rhodes: Hi. My name is diata rhodes, Portland, Oregon. The presentation today is dedicated to we are, the non profit agency for women living with h.i.v. and aids. The agency had to close last month after 10 years of service.

Katz: Which agency? We are.

Katz: Ok, thank you.

Rhodes: H.i.v. stands for human immunodeficiency virus, the virus that causes aids. Aids stands for acquired immune deficiency syndrome. Aids has the highest rate of the s.t.d.'s or sexually-transmitted disease. H.i.v. is a virus. There's no cure for h.i.v. and there's no vaccination. There is medical treatment and services available to live with and manage h.i.v. taking care of h.i.v. is both expensive and draining. Prevention is key. H.i.v. is spread by having sex and sharing needles mostly. H.i.v. is carried in four main bodily fluids -- blood, semen, vaginal blood and breast milk. Also been found in saliva, but it would take a lot of saliva, a lot. Don't stop kissing. Blood, including menstrual blood, semen, the liquid from the penis after climax, vaginal secretions and breast milk. A mother can pass it on to her baby before it's born, during wild birth, or while breast-feeding. There's an h.i.v. test. If you test negative today that really is a result telling where you were three to six months ago. If sex partners have h.i.v., should they use safety? The answer is yes. The recommendation even if everyone is h.i.v. positive, still practice safe sex. How can you prevent h.i.v.? Number one, don't have sex. Number two, engage in low-risk types of sex, like with hands or voice only. Number three, use latex or polyurethane condoms or gloves for penetrative sex. Number four, use a dental dam or stretch latex for oral placement. Use your own personal needle. Use syringe exchange and dispose of used needles and durable plastic contain bio. Living

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with h.i.v., stay in touch with your doctor. H.i.v. is a virus. There's no cure for h.i.v. and there is no vaccination. There are medical treatment and services available to live with and manage h.i.v. Prevention is key. Safer sex and not sharing injection equipment help prevent h.i.v. Ask about the test today. Thank you for your time.

Katz: Thank you. 442.

Item 442

Katz: Is this hepatitis prevention week? Does anybody know? All right, go ahead.

Teresa Dulce: Teresa dulce, Portland, Oregon. Hepatitis a is a virus that affects the liver. And hepatitis means inflammation or swelling of the liver. It can be caused by alcohol, drugs, toxins or a liver virus, such as hepatitis a, b or c. [speaking spanish] i'm going to talk about hepatitis a. There are vaccinations to prevent h e.p.a., two shots over six months. If you get hepatitis a it may take a few months to recover and a trip to the hospital. If you've had it once before you won't get it again and you won't need to get vaccinated because you're no longer contagious. Hepatitis a affects the liver, a real important part of the body. It helps you digest food, works as your battery, it's the reason why you stop bleeding if you get cut or nick yourself. It filters everything you eat, breathe. Hepatitis a is caused by a virus found in infected poop. Eating food and drinking water contaminated by hepatitis a is a way to get this. Wash your hands, rinse and dry. Pots, pans and dishes, these items can be infected if not cleaned properly. Another form of prevention is using a latex barrier for oral to anal contact. Take a condom, cut it up the middle, and stretch it across. The method goes mouth, dam, body opening, mouth, dam, body opening. Mouth. Lastly, babies born now have to get vaccinated for hepatitis a, so please ask your doctor about this. [speaking spanish] hepatitis a is a virus that affects the liver.

Katz: This is like school today. 443.

Item 443

Michelle Keil: Good morning. Mime michelle, keil, Portland, Oregon. Hello, nice to be here today. I'll be talking about hepatitis b. It's a virus that affects the liver. The literal definition of hepatitis is inflammation of the liver, caused by alcohol, drugs, toxins or a virus. Most people recover completely from hepatitis b within six months. However, 1% of people die from hepatitis b and 5 to 10% have chronic hepatitis b and remain contagious. Prevention methods for hepatitis b include a three-shot vaccination series and adopting safer sex and drug use practices. Hepatitis b is caused by a virus found in the same four bodily fluids as h.i.v. Hepatitis b virus can live in blood, semen, vaginal secretions or breast milk. Blood includes menstrual blood and pregnant women with hepatitis b can pass it to their babies during childbirth. Hepatitis b is not spread through food, water, or casual contact. Hepatitis b can be prevented by safer sex. To reduce the risk of infection, use barrier methods prior to contact with bodily fluids or bodily openings. Use latex or polyurethane condoms, and make sure to dispose of them properly. Hepatitis b can also be prevented by using new and sterile injection equipment. Don't share the rest of your fix kit, including cookers, water, cotton and tourniquets. If you're snorting or smoking, use your own pipe. Hepatitis b is a virus that affects the liver. There's a three-shot vaccination series to help prevent hepatitis b. Other prevention methods include safer sex, avoiding intimate contact with another person's blood, semen, vaginal secretions and breast milk. Use your own supplies when shooting, snorting, or smoking. Thank you very much.

Katz: Thank you. 444.

Item 444

Sarah Short: Good morning. My name is sarah short, Portland, Oregon. I'm going to talk about hepatitis c today. Hepatitis c is a virus that affects the liver. Hepatitis means inflammation of the liver. It can be caused by alcohol, drugs, or a liver virus such as a, b, c. Hepatitis c affects the liver. There's no vaccination and there's no cure, but there is a test, a blood draw. About 15% of people with hepatitis c clear the virus from their body naturally. So 85% of people with hepatitis c have it for

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life and manage to live with it. Hepatitis c can live in blood wet or dry for up to three weeks. Blood includes menstrual blood. And 5% of pregnant women with hepatitis c can pass it to their babies during childbirth. Hepatitis c is not spread through food, water, or casual contact. Hepatitis c is spread blood to blood. That means somebody else's blood has to get in your bloodstream, like sharing injection equipment. Hepatitis c can be transmitted sexually only if there's a blood involved. And if there is, use the latex barrier methods or avoid it altogether. Hepatitis c can be prevented with new and sterile injection equipment. Don't let someone get stuck by accident. Properly dispose of the sharps in a durable plastic container with a lid like a shampoo or bleach bottle. Tape the container shut and label bio, don't touch. Use syringe exchange and don't share the rest of the fix kit. A new and sterile needle for each shot. Don't share household items either, like razors, toothbrushes or manicure sets. A lot of people don't know they have hepatitis c and you can't tell by looking at them that they do. There aren't many symptoms. More severe outward symptoms would be jaundice or the yellowing of the skin and eyes. It's called the silent epidemic because people have been living with it for 10, 20 years and didn't know. If both partners have it, still use your own gear and have safer sex. There are different strains or genotypes and you don't want to -- don't want to compound the virus. There is no vaccination. There's a blood test to determine your status. Ask your doctor today. People living with hepatitis c are suggested not to drink alcohol, to get vaccinated against hepatitis a and b, and to see a health care provider routinely. Thank you for your time.

Katz: Thank you. Thank you, everybody. All right. Consent calendar. There's been a request to pull out 447 and 450. Any other items to be pulled from the consent calendar?

Moore: We have 457 also.

Katz: 457. Ok, I was not aware of that. All right. any other item? If not, roll call on the consent.

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

Katz: Mayor votes aye. [gavel pounded] 447.

Item 447.

Katz: Purchasing would like to pull this back to their office. Is anybody from purchasing here? Any objections? Hearing none, so ordered. [gavel pounded] all right. 450.

Item 450.

Katz: Commissioner Saltzman?

Saltzman: I had pulled this from the consent agenda because of concerns about the commitment of the housing authority to green building practices in the development of new columbia. I've since arranged for a briefing next week, time certain, at 9:40 on our agenda where we'll hear from h.a.p. About their commitment to sustainability and green building practices at new columbia.

Katz: Thank you. This is just an announcement. We're ready to vote on this. Anybody want to testify on this item? If not, roll call.

Francesconi: Aye.

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

Katz: Mayor votes yes. [gavel pounding]

Katz: Any objections? Hearing none, so ordered. [gavel pounding] all right, everybody, we're at time certain, item 445.

Item 445.

Katz: Commissioner Francesconi?

Francesconi: Thanks. We have lisa turpel here, the recreation manager. Mary richardson, the schools coordinator. And antonio lopez, the new principal of the school. Diane, I don't know if you want to come up. She's available to answer questions, too. Actually, what prompted this is test scores in the elementary level are improving in Portland public and our other school districts at a time of increasing poverty among our kids. It's up over 40 to 45%. Clarendon is a great example of a school dealing with social challenges. I was thinking it would be great to get a report, because

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we've merged our school program into the suns school program. I was thinking of commissioner Saltzman's question about parks about feeding kids and the role that parks could play in that at a recent hearing we had. I promised at that point that we would be looking into it. And so in order to let the council know what this program has been doing along the main goals of academic improvement, family involvement, community and business involvement and improving coordination, we thought it would be good time for this report. Just briefly, it was bank of america, with a grant, that began this whole thing about seven years ago. It grew then into a strong partnership after the time for kids model that parks did to evaluate how we could be more than fun and games, but help on academic improvement and other things. So now it's grown into a partnership between the school district and the county led by the county with the city's strong participation. And the taxpayers also allowed this to expand because of the parks levy that was passed. So we wanted to especially let the taxpayers know how we're trying to coordinate services in a way that benefit all of our kids. So let me turn it over first to lisa.

Lisa Turpel, Bureau of Parks and Recreation: Thank you. And thanks for your attention this morning. I'm lisa turpel, and today is just a status report. We want you to be aware of what we're doing. We're not here to ask for any new money. And we appreciate your attention. We're going to go to this powerpoint presentation. And let's see, there we go, what is community schools, first and foremost? Sun community schools. Sun community schools takes to heart the concept of community education. This is a model of education developed by c.s. Mott and frank manley many years ago. Community education has a general commitment toward life-long learning for people of all ages, all abilities, all needs, all backgrounds. And it takes to heart truly the concept that we're all responsible for educating everyone. We have some very strategic goals for the sun community schools program. We believe that we build stronger communities through academic achievement efforts, through family involvement efforts, through community and business involvement in our schools, and through service integration, which is just a fancy word for meaningful collaboration amongst partners, and community use of buildings that make sense for taxpayers and the community as a whole. All of that goes toward making sure that our kids in schools also have safe places to learn and play. We have a long history of sun community schools here in Portland and Multnomah county. Here's a brief history of the -- brief rundown of the history. It dates back to the 1950's when our only school district in the city of Portland at the time, Portland public schools, developed some after-school programs in five elementary schools. In the 1970's, under the leadership of school board member gladys mccoey, she adopted, or the board adopted, the community education model, the c.s. Mott foundation model. At the same time the school district was having financial problems, some things never change, and the school board came to Portland parks and recreation and city of Portland to ask if we would be willing to take over the community schools model that they had begun. And we agreed to do that. In the 1980's, as the city of Portland annexed further out, the parkrose school district was well within the city of Portland limits by then and they came to us as a school district and asked if we could begin a community school program in parkrose, which we did at the high school. And in the early 1990's a number of things happened, both at the city and the county level. We were further expanding community schools into the other Portland school districts of david douglas, centennial and reynolds, and on the county side, our partners on the county, were also expanding school-based health clinics, their intensive school-based case management services, and developing the school initiative -- school attendance initiative. In the late 1990's, as commissioner Francesconi mentioned, his efforts and encouragement for us to develop a pilot project, which we ended up calling time for kids, was funded by you all for three years in a row, and it allowed us to explore and experiment with the idea of bridging after-school recreation and enrichment programs and other -- of those kinds of extended day activities with academic achievement support. That took place between 1997 and 2000. In the year 2000, 2001, while we were operating our 13 community school sites on the city side, the

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county, under the office of school and community partnerships and formally the commission on children and families, they opened eight original sun sites schools uniting neighborhoods. What this did was allow us to truly realize the mott foundation concept of community education that brought the social services to the after-school extended day programs. And just last year, in 2002, 2003, we, with our partners, the county, and our county partners are right here in the room with us today, we aligned all of our vision and goals for both community schools on the city side and sun schools on the county side, and we created the program that we now refer to as sun community schools. Here's a look at the partnerships around the sun community schools. These are our strategic partners, including the city, the county, the school districts, a number of business partnerships and other community partnerships, and our new regional service centers at the county. Now it takes a lot for a partnership like this to function. And I want to emphasize how important it is that the first and foremost important ingredient into a successful partnership that spans jurisdictions, like county, city, and the school districts, is the expressed leadership from you all. We have your support for that and we thank you very much for that. We also have the support from our elected officials at the county side, as well as the school district. Second only to that is the principal leadership at the individual schools where we operate our sun community schools programs. And as a parent of a Portland public school student, as well as somebody who's committed an awful lot of professional time toward school-based services to our children, I know that it starts and ends with the principal at the school. We do need that strong district leadership at the school district level, and we have that now. We do have the shared vision and goals amongst all of the partners. We've got to make sure we got roles clearly defined between all of the partners, and that takes time to develop and we're doing a great job in that area. And certainly that never-ending communication, making sure that everybody knows what we're doing amongst all of the partners. And of course the time to build that trust. Together schools, government, and other partners help us to support not only the academic, but also the social and emotional development of these kids involved with the program. I'm going to turn it over now to mary richardson, who is now supervising 12 of the city-staffed sun community schools, and also knows from -- from the ground up what it's like to run a sun community schools, because she did that for six or seven years.

Mary Richardson: Thank you, lisa. Sun community schools focus on high-risk schools. At a time when families are facing higher-risk factors today than ever before, including the unfortunate dubious honor of Oregon being top nationally in both unemployment and hunger, families need sun community schools. Some of the risk factors that are facing our youth and families today are not enough to eat. Families are in crisis. Unemployment, abuse, incarceration, are facing more families today than ever. Substance abuse, teen pregnancy, and gang affiliation are on the rise. Second language learners are facing the barriers of the need to partake with services that we have and unable because of language issues to find those services. Achievement gap and high dropout rate and loss of programs in the public schools, not only due to budget reductions, but also the need to reach benchmarks so programs such as arts and sports and clubs are being reduced in an effort to direct in other areas. Sun community schools feed kids. As I said just before, one of the highest risks facing families today is hunger. In after-school programs, we're working with this to provide snack and a supper program at schools for students who participate in extended day programs. In the summer, one of the greatest out of school hour time for children, we're also providing breakfast and lunch. Currently 42% of children in Portland public schools qualify for reduced or free meals. This shows the high need for hunger services in our area. Sun community schools provide family support in the area of emergency assistance, intensive case management and drug and alcohol prevention, family strengthening activities and others. Sun community schools prevents substance abuse, teen pregnancy and gang activity. National studies show that children who regularly participate in after-school programs are 49% less likely to use drugs and 37% less likely to become teen parents. We need to provide safe places, structured safe places, for our children every day, so

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that they can't shoot up, smoke, drink, get pregnant or hang with gangs because they're participating in something positive in their life. Sun community schools provide culturally competent services in the areas of english language instruction, culturally specific programming, translation, tolerances for differences, and strong acceptance of many cultures and belief. Through participating together at our suns community school sites, childrens and families have the opportunity to share and celebrate the special things that make each of us special. Sun community schools support efforts to eliminate the achievement gap. Children who regularly participate in extended day programs show improved test scores and grades and also develop a higher goal for the future. In many poverty and high-risk sites, there is no expectation of going beyond maybe eighth grade or graduation from high school. Second and third generation families may never have gone any farther than their eighth grade graduation. Through providing activities at our sun community school sites, that build expectations for youth and families, we're hoping to work with the achievement gap in this area. Sun community schools provide recreation and enrichment programs that the schools have cut. We work together with the schools to include the daytime curriculum, to extend these activities in the afternoon, but one of the things we also need to remember is that children need the opportunity to play and recreate. And by providing safe, non threatening environment for them to do this, children and families are more security. You've heard some of the things that sun community schools are doing to provide success to students and families. I'd like to turn that over to antonio lopez for the principal's perspective.

Antonio Lopez: Good morning. My name is antonio lopez. I'm the new principal at clarendon elementary school. Thank you for the opportunity to come before you and talk about what the sun after-school program does for my school and my students. We have a population of 327 students. We are 82% free and reduced lunch. We are a diverse community of latino students, african american, southeast asian, native american and slavic. The largest population is we are 53% latino. We have 47% second language learners. Our community, our parents, our hard-working parents, dedicated and want the best for their kids. Our society has changed over the years. Parents are working longer and getting home later. A lot of our children get home before their parents. What are these children going to do with this free time? That is why having after-school programs is very important. It gives parents a peace of mind. Students are engaged. They're safe, and they're in a nurturing environment. Schools can no longer be places from 8:00 to 3:00. Schools need to be open most of the day. We need schools and programs that keep students after regular hours. This is what the sun after-school program has done for my school and for my students. after classes students get a hot meal. We serve over 1,000 meals a month. Then they go to the homework, and we serve around 70 students a day. Then they do the sports activities. And we serve close to 100 students a day. We have parent nights, so we involve the parents in the community. We provide take-home books for the students. We have soccer, basketball, and other sport activities. Now the question is, does the sun after-school program makes a difference? I'm here to tell you it does. My students do not have time to wander the streets. It's made a difference for my students and my parents. I can think of three places where a child or a young person gets an education -- the home, the school, and the street. we cannot as a society let the streets take over our children. This is why it is extremely important that the schools, the city, the county, businesses, and other organizations build partnerships to create after-school programs and to engage and keep our children away from the streets. On behalf of the students, parents, teachers, I want to thank you. I want to thank you for your commitment, your vision, and for creating a program like schools uniting neighborhoods. Thank you.

Katz: Thank you. Ok, let's put the lights on.

Moore: Are you done, lisa?

Turpel: We've got a couple more slides. Do we have time or not?

Katz: How many more?

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Turpel: How about a couple?

Katz: A couple.

Turpel: Ok. I wanted to make sure that we addressed what the city's investment in these youth is from a financial perspective. We know that currently in the 12 staffed city sun community school sites -- and we're only highlighting the city ones here, because I knew that would be your number one concern -- is we're serving over 2700 students per year. These are individual students. This doesn't count how many times they come to programs and meals and homework classes and so forth, but it's 27 different children every year, which represents about 1100 contact hours for these extended day activities for kids per site over the course of the year. If you break down the budget, it's somewhere around \$250 a student. I know you're interested in what we're evaluating and how we're evaluating. The sun community schools program was developed around national and even some international best practice studies. We are currently using a variety of performance measures, including the fact that we do keep track of how many individual students we're serving every year, and also their families. We keep track of their attendance, both during the school day and in the extended day activities. In fact, than of those activities are linked, one to the other. So can't come to homework help unless you've been in school that day. Can't go to the after-school recreation and enrichment program unless you've been to homework help and been at school that day. We're also keeping track of academic benchmark progress, and i'm pleased to say that we've done -- we are showing upward trends in particularly math and reading scores. The eight original sun community schools that were administered by the county have more data to show on that and we're looking good in that area. We certainly keep track of demographics that are important to us. We also track customer satisfaction, both on the part of our students that are involved in the program, their families, our principals, the faculty at the those schools, and we're also keeping track of the high volunteer commitment. You have in the rest your packet a list of all the city-staffed sun community sites, and you can see what district they're in, and also their percent of free and reduced lunch or meal programs, and we also support indirectly the 27 other city sites with sun community schools. There's a map of where they are all located. There's a little bit of a rundown about how much money we've collaborated together, both on the city side and the county side. This does not count the in-kind resource support. And how we fund them either at full funding, partial funding, and in some cases where they have the ability to bring in fundraising efforts on their own, we give them even less monetary support. And last but not least, thank you so much for your support of this program. We're very proud of it. We'll come back to you and report to you at any time you'd like.

Katz: All right. Let's put up the lights. Anybody else that wants to testify? Let me make a request, since you've raised some of these issues -- excuse me?

Saltzman: I just wanted to ask a question.

Katz: So, yeah. Improvement of test scores and grades, closing the achievement gap, avoidance of drugs, and avoidance of gang activity. Do you have data, hard numbers as to what the performance was before the sun schools and what it's been over the years, especially for those that have been established?

Turpel: Yes.

Katz: Could you share that with us with a report?

Turpel: Certainly, yeah.

Katz: Ok. We don't have time to go over it.

Turpel: Be happy to. I have it right here.

Katz: And how that links with attendance and dropout rates.

Turpel: Ok.

Katz: And I just want to caution, there are a lot of poor families that have very high expectations for their children. And just because they're poor, they don't necessarily have low expectations. So I want to just caution. I heard a little bit of -- of that coming through.

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Turpel: Ok.

Katz: Ok.

Saltzman: So tell me about the breakfast and lunch programs during the summertime.

Turpel: Crystal, you want to come in and -- crystal mcdonald, I apologize for not introducing you earlier. Crystal is our sun community schools site manager at clarendon, the one actually serving the meals.

Crystal McDonald: I'm sorry. What was your question?

Saltzman: Are we doing breakfast and lunch programs at all of our sun schools during the summertime?

McDonald: Most of them will have it. It depends also on how many free reduced lunch children there are in the schools, if they will serve through nutritional services. Clarendon will serve the breakfast and lunch and hopefully the suppers program as well.

Saltzman: This isn't happening at all of our sun school sites.

Turpel: It's happening at every sun school that has a 50% or higher free and reduced percentage.

Saltzman: And is that the same for the county-supported sun schools as well?

Turpel: Yes.

Saltzman: 50% or higher, there will be breakfast and lunch every weekday of summertime?

Turpel and McDonald: Yes, monday through friday.

Saltzman: Monday through friday, throughout the whole summer?

McDonald: Yes. Well, the middle of june through the middle of august.

Turpel: I believe it's an eight-week period that they provide that service.

Saltzman: The other -- this recommendation really came from our food policy council. I think part of the recommendation was to look at other parks programs as a contact point for kids also to get breakfast or lunch during the summer. Have we done anything in that vein?

Turpel: Yes. For many years we have had snack as well as lunch -- free lunches during the summertime. It's not -- there's not a question about whether you get a reduced lunch. It's free. To anyone who's under the age of 18 who comes to any of our playgrounds. They have to be in areas that qualify as h.c.d. areas. I have a couple of my staff on the hunger task force that are working with -- with others on this. Yeah.

Saltzman: Thank you.

Katz: Any further questions? Thank you. All right. Good work. Item 446.

Francesconi: So thank you, everybody. I wanted to thank everybody, the staff that's working on the ground. The whole benefit was summed up by the principal, by you, antonio. Our whole idea is to give you what you need to serve these kids. You were terrific. We're lucky to have you. But thank you to the whole staff.

Katz: Ok, 446.

Item 446.

Francesconi: Another important part of parks.

Jim Sjulín, Bureau of Parks and Recreation: Right. I'm jim sjulin, Portland parks. Part of what makes Portland a wonderful and livable city is that we have places like oaks bottom wildlife refuge in southeast Portland.

Katz: One second. Folks, please take your conversations outside. All right. Go ahead.

Sjulín: Thank you. Another reason that Portland is a wonderful city is the partnerships that we have. And what we're doing today by declaring oaks bottom a migratory bird park is extend a formal relationship that we have with u.s. Fish and wildlife service, and monty is here to talk more about that, I believe. And also a continuing partnership that we've had with Portland audubon society at oaks bottom. I don't believe oaks bottom would be a wildlife refuge had it not been for Portland audubon and also the sellwood community. So with that, i'd like to invite monty to speak.

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Katz: Go ahead.

Monty Knudson, Oregon Fish and Wildlife: Thank you. I'm Monty Knudson from the Oregon fish and wildlife office. I appreciate the opportunity to address Mayor Katz and the council. Fish and wildlife service is very pleased to support the city's resolution to designate Oaks Bottom as a migratory bird park. This was one of the projects listed in the action plan for the urban conservation treaty for migratory birds that we signed a year ago on May 7. The city of Portland was the fifth in the nation to develop such a treaty with the U.S. Fish and Wildlife Service. And this recognizes the importance of the role that cities can play in conserving migratory birds and their habitats. It also speaks to the high value many of our people feel for the protection of migratory birds and their habitats. This park and the refuge provides an exciting opportunity to raise public awareness of migratory birds in the Portland area and its diverse urban ecosystems. Also highlights the city's laudable effort to manage important natural areas and the bird species that rely on it. Many urban areas, in Portland in particular, contain valuable wildlife habitats and surprisingly a lot of biological diversity that's worthy of conservation. Therefore Fish and Wildlife Service feels we shouldn't overlook urban areas as possible areas for conservation of wildlife and migratory and resident birds. Portland is really important in the Pacific Flyway. The highway that birds fly between the north and the south. And the Portland area provides important habitat for migration, resting, feeding, and nesting for over 200 species of birds. And in fact, some 120 bird species have been observed at Oaks Bottom Park, including nearly 50 neotropical migrant birds. Very important in terms of migratory birds. Successful bird conservation relies upon partnerships. The Fish and Wildlife Service has found this to be true everywhere we go, and Portland is an example of that. This joint treaty has brought us and many organizations together to carry out projects that will first protect and restore important wildlife habitats within and around the city. Reduce hazards facing migratory birds. To educate the public about bird conservation and to demonstrate the kind of actions we can take to conserve birds and their habitats. This Saturday, the International Migratory Bird Festival will occur at Oaks Bottom. And it will provide an engaging way for the community to observe and enjoy the birds that come to Portland and to Oaks Bottom. It will also be an appropriate celebration of the first anniversary of our treaty, and the newly-designated Oaks Bottom Wildlife Refuge. I want to say a special thank you to the city of Portland staff, Portland Audubon Society, and to Sue Thomas for their work on this designation and the celebration this Saturday. The Fish and Wildlife Service looks forward to continuing its working relationship and partnership with the city and we fully support the establishment of this park and refuge for migratory birds. It's an example of the kinds of projects we hope to work on in the future under our treaty. Thank you very much.

Audubon Society Representative (did not give name): Good morning, Mayor Katz and city commissioners. I want to recognize Karen Monday, behind me this morning, who's done the bulk of the work for Audubon in establishing Oaks Bottom -

Katz: Raise her hand.

Audubon Rep: -- on this project and on the migratory bird festival this Saturday. I'd encourage everybody to come out. Should be a great event. Everybody can see why we're doing this. I'm here this morning to represent Portland Audubon Society and our 10,000 members in support of the resolution to declare Oaks Bottom Wildlife Refuge as Portland's first migratory bird park. In doing so, you'll recognize the important opportunity and responsibility that urban areas have to protect native bird populations that migrate through and nest upon our urban landscape. It's long been recognized that in order to reverse declines in migratory bird populations, we provide habitat for them. On an increasingly urbanized and suburbanized landscape, it's critical that we provide resting, foraging and nesting opportunities within the urban interior. Portland sits on a migratory corridor. 209 bird species are known to occur in Portland. More than half depend on areas like Oaks Bottom for their daily needs and 94% of these species utilize riparian habitat. Places like Oaks Bottom are incredibly important for these birds. Thanks to people in the 1980's, the city made the

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landmark decision to protect the bottom from development. Citizen activists planted signs declaring it a refuge, and the city made the designation formal. Today you take another important step in specifically recognizing and highlighting the important role that urban habitat can play in the life cycle of migratory birds and will serve as a reminder of the opportunities and responsibilities that we have before us. It will shape policy and manage at oaks bottom to ensure that this is prioritized as future decisions are made. Thank you.

Katz: Both commissioner Saltzman and I want to know what a neotropical bird is.

Audubon Rep: A neotropical migratory birds is, the simple explanation is, they're the colorful songbirds that people love, birds like that, that migrate down to center and south america that make huge migration from the northern areas all the way down to central and south america. Most of those species are in serious decline because of the in-between places, in the cities and suburbs as they migrate, and that's why places like oaks bottom are so important.

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

Sjulin: I just wanted to say that one of the benefits will be the education that occurs as part of this relationship. And we -- I mean, your question was a perfect question about, you know, what are neotropical birds, and we hope to elevate, not only the general public's awareness, but people on staff who are working hard to improve the habitat through the cooperation and technical assistance that we get from u.s. Fish and wildlife.

Katz: I know what a neoconservative and neoliberal is, but didn't know what a neotropical was.

Sjulin: Now you know.

Katz: All right. Anybody else want to testify? If not, then we'll vote on the resolution to designate oaks bottom wildlife refuge as a migratory bird park.

Francesconi: I'm not sure this analogy is going to work, but we talk about the canary and coal mine, sign of something going wrong. Now this is a symbol of something going right. It's a reality that we're taking care and protecting our habitat and doing it for wildlife and birds, but we're also doing it for our own citizens. We speak a lot about forest park and the wonderful park that we have, but to have oaks bottom right in the very heart of our city was a testament to the leadership of the people that you mentioned. Mike, charles jordan, and the others, but it also shows how the citizens are ahead of government in some circumstances, but at least we respond. So respond nothing this circumstance by further protecting this park and enhancing it, and including the educational opportunities right in the heart of the city it terrific. Thank you to audubon, fish and wildlife. And we have such terrific staff, especially jim, but others in parks who are ahead of us. So thanks. Aye.

Leonard: Aye.

Saltzman: Good work. Aye.

Sten: Yeah. Congratulations. Aye.

Katz: Good work. Aye. [gavel pounding] all right. We're on regular agenda item, 465.

Item 465.

Katz: Is there anybody to testify? Did you want to testify? Why don't you come on up? Go ahead. Identify yourself.

Jeff Compton: I'm jeff compton. I'm the property owner trying to vacate northwest gurney street.

Katz: For what purpose?

Compton: My family owns property on either side of the street. It an unimproved roadway that dead ends into another unimproved roadway, and we'd like to incorporate that into both our pieces of property and eliminate the possibility of a road ever going through there.

Katz: Ok. Odot, port of Portland, tri-met, planning commission, have no objection, though there are some conditions and restrictions that have been included in it. All right. Thank you.

Questions? All right, I need a motion.

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Leonard: So move to approve.

Francesconi: Second.

Katz: To approve and to prepare an ordinance for a hearing. All right.

Francesconi: Second.

Katz: Roll call.

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

Katz: Mayor votes aye. [gavel pounded] 466.

Item 466.

*******:** Thank you very much.

Katz: Ok. Go ahead.

Brian Morisky, Portland Development Commission: My name is brian morisky and I work at the Portland development commission. I'm the program specialist for tax abatement. This resolution would accept the approvals and denials for those three limited tax abatement programs that were --

Katz: You need to speak louder.

Morisky: Ok. This resolution would accept the approvals and denials for those three limited tax abatement programs for the calendar year 2003.

Katz: All right. Take a slight step backwards and give the council a very brief history of this program.

Morisky: The single-family new construction tax abatement program is for single-family new construction. It would have a sunset date of the end of 2002. And these -- this includes the last homes that would be able to get that abatement until that program is reinstated by the state legislature.

Katz: Right.

Morisky: The owner-occupied and rental rehab programs -- excuse me. The owner-occupied rehab and the rental rehab are both still active programs. So those were not affected by the sunset date.

Katz: Ok. Andy?

Andy Welch, Portland Development Commission: Yes, ma'am?

Katz: Do you want to say anything?

Welch: Not unless you want me to.

Katz: Go ahead, for the record. Identify yourself.

Welch: Andy welch. Portland development commission. We have the single-family limited tax abatement as a sunset item that we're hoping with the legislature is a part of the discussion we're having for that l.t.a. to be reauthorized at the legislature. The other two programs are programs that p.d.c. administers on behalf of the city that you all created, and this is an annual -- annual review and approval for you all as a pro forma item, if you will, for the l.t.a.'s and other tax exemptions that you've approved previously under the ordinance that you passed, and this is the formal adoption of those items.

Katz: On denial, if there's a denial, there's an appeal process to the council.

Welch: Correct.

Morisky: There actually were no denials.

Katz: All right. Further questions by the council? Anybody else want to testify? All right. Roll call on the resolution.

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

Sten: Aye.

Katz: Mayor votes aye. [gavel pounded] item 467.

Item 467.

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

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Katz: Thank you.

Katz: I need you to start -- I think when we started the work on the south waterfront, we were aware of the fact that there were these issues pending before the development of that area, and this is one of the issues that's before the council now. So go ahead.

Jane Blackstone, Portland Development Commission: Thank you. I'm Jane Blackstone with the Portland Development Commission. The proposed council action is to ratify a December 17, 2003 Commission approval of the third amendment to the North Macadam Urban Renewal Plan, which authorized acquisition of property at 3508 Southwest Moody Avenue through condemnation if needed. Just a little context. The subject property is highlighted here in yellow. It's located within the 31-acre Central District, within the 130-acre South Waterfront Plan Area, within the 409-acre North Macadam Urban Renewal Area, and of course it's directly south of Riverplace and very close to downtown. The Central District was the subject of a development agreement that was approved by P.D.C. and the City Council in August of 2003. The parties to that agreement include P.D.C., the Oregon Health and Science University, and a group of private developers. I should note, too, that P.D.C. has entered into intergovernmental agreements with a number of Bureau partners to implement key aspects of that development agreement. One of the obligations of that agreement is to acquire this Moody Avenue property for development of a neighborhood park. The property is 2.8-acre parcel outlined in red. It's operated as a self-storage business. There's also a communications tower lease on the property. It would be a part of the acquisition proceeding. The acquisition fulfills a number of purposes. Of course, the obligation under our development agreement of great significance, though, is support for underlying South Waterfront Plan goals to really build a new neighborhood in the South Waterfront area with all of the infrastructure, including parks and open space that supports neighborhood development. It's consistent with and supports our Urban Renewal Plan goals for a revitalized area in the South Waterfront. The graphic here is an early rendering of the park plan, if you will, for the South Waterfront area. And you can see the neighborhood park parcel, proposed parcel, outlined in red as a part of a whole network of parks and open space. A number of public benefits are served by this acquisition. Development of the neighborhood parks serves the needs, both of existing neighborhoods, the Corbett Terwilliger Lair Hill neighborhood. Of key importance to our development partners is the stimulation and support for new uses down on the South Waterfront. Housing, including affordable housing, really wide range of residents in the neighborhood, a million and a half square feet of Oregon Health and Science University uses. Very important support for development of tax-producing new uses adjacent to the park. The timing and the urgency is evident when one goes down to the South Waterfront area these days. It is under construction. We have street and utility construction under way. Lots of dirt moving around. Buildings under construction. The excavation has started on OHSU's first building, as well as the first condominium building. Just a little bit on the finances. The August 2003 development agreement was carrying an estimate of \$6 million for both the acquisition and initial improvements of the park. That's still an estimate. We have entered into a development agreement -- intergovernmental agreement with the Parks Bureau through which we have a commitment of Parks S.D.C.'s toward the acquisition and initial improvements of the park. We have proposed and will take to the Commission a package of funding to make up the balance of the estimated acquisition in initial improvement costs. That's about \$5 million of tax increment dollars, and that will be a part of a package of amendments to the development agreement, including an update to the funding and financing plan that's currently projected to go to Commission in June and then to Council. I should note, too, that there are system development charges that will be generated by Central District development that will be applied to this as well to offset some of the T.I.F. investment. Likewise, there's a parcel of land committed to the proceeds of the sale of that parcel, would be committed to the project and help to offset that T.I.F. for other uses. Current status, P.D.C. is working with public storage to negotiate a sale and to identify alternate business locations. It is our

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objective to try to reach a voluntary sale with public storage and really see condemnation only as a last resort. If we're unable to reach a voluntary sale in a timely way. And that's my presentation. I have my colleagues from the parks bureau here if there are questions that I can help with.

Katz: Let's hear the testimony and then I think they'll probably be a question with regard to where are we on the purchase of that property versus condemnation. Go ahead. Who wants to testify?

Riley Whitcomb, Bureau of Parks and Recreation: I'm Riley Whitcomb with Portland parks. I'm in charge of property acquisition. Primarily through funding that we receive from the s.d.c. program, and this is an example of one of the things that we're able to do. And looking forward to working with p.d.c. on acquiring this.

Henry Kunowski, Bureau of Parks and Recreation: Good morning, mayor, council. My name is Henry Kunowski with Portland parks. I'm project manager for urban park development and the project manager for the greenway development plan. I really have no comments. I'm here to answer any questions you may have about the context of this site and the larger plan for development of parks in the district. Thank you.

Katz: Ok. Questions? Commissioner Saltzman?

Saltzman: You mentioned proceeds from a land sale that would help pay for the cost of the park and its development.

Blackstone: Correct.

Saltzman: Which parcel of land?

Blackstone: It is affectionately known as parcel j, a narrow sliver of property in the harbor naito area. It's under the control of city parks. It's currently used as a parking lot and has been a part of our agreement in terms of potentially generating some proceeds to use in the central district.

Saltzman: And how long have the discussions been ongoing with public storage about this parcel?

Blackstone: I would say we began in January with an informal offer, and continue to meet and talk regularly. Of particular concern is identifying an alternate location. And p.d.c. has engaged the services of a consultant to help identify potential sites. We're really trying to find a way to make this a smooth transition.

Saltzman: And what's the timeline for breaking ground on the park?

Blackstone: Our obligation is to acquire possession of the property by the end of December 2004. The first buildings in the central district will be ready for occupancy in the first quarter of 2006, so while we don't have a firm date for when we would need to clear the site and have it available, that represents a goal in terms of being able to serve the first residents with open space in the area.

Saltzman: And why is it now that the commission is seeking condemnation authority? What brought about this amendment? They adopted it I guess in December, and you're asking us to adopt it now.

Blackstone: To ratify it now, correct. We wanted to be sure that we had a strategy in place to fund the acquisition prior to coming to council. We have a strategy that we'll be taking forward to both the council and -- commission and council in June, and obviously we wanted to be ready to meet our development agreement obligation, which is rapidly coming upon us, December 31, 2004.

Saltzman: So is that strategy condemnation? Is that what you're basically saying?

Blackstone: No, I'm sorry. The funding to be actually able to pay for the parcel.

Saltzman: What is the assessed value of this property right now?

Blackstone: It is -- I believe it's in the \$4 million range. I would be happy to get you that exact number.

Saltzman: So for the \$6 million, about \$4 million will be for property acquisition?

Blackstone: It's intended that that budget serves to conduct initial improvement of the property, acquisition, there are also relocation costs that would need to be covered as part of the acquisition of both the public storage and underlying tenants, for example the communications tenant on the property.

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Saltzman: So is p.d.c. committed to relocating public storage?

Blackstone: It's a requirement.

Katz: It's a requirement by the state statute.

Saltzman: So you have to figure out where they're going to go and fair market price, whatever?

Blackstone: It's an actual move of their business, physical move of the business, but we are helping to try to facilitate the finding of another site so that that can -- the proceeds from the sale of this property can be used to keep the business operating in the general area.

Katz: Further questions? Anybody else want to testify? All right, come on up. Thank you. Come on up. Somebody's going to have to give up a seat.

Jill Long: Jill Long, 601 southwest second avenue, suite 1800, Portland. I'm here today on behalf of Verizon Wireless who owns the communication tower on the lease site at the public storage facility. I've been working with Ms. Blackstone. We just started having communication about relocation or other alternatives for how we're going to continue to provide wireless service for this area. Really don't have a lot of comment, other than to let you know that we're working with -- with p.d.c. on this project, and hope to find a solution that works for both p.d.c. and the vision of the project and for my client, Verizon Wireless, who obviously does an important service by providing cellular communication and internet communication, which will be important for the residents that come to live here and enjoy the open space, as the vision shows in the future. So just wanted to say hello and let you know that we're here working on the project.

Katz: Thank you.

Long: Thanks.

Katz: Anybody else? All right, this passes on to second. All right, 468.

Item 468

Katz: Ok. As part of the work that went on during the budget that all of your bureaus were involved with was to take a look, if we can do business differently, and if that can save us additional revenue. We've identified the potential savings for strategic sourcing, but it will cost us money initially. We have made an attempt to hear and listen to what the council would like to do, and we're taking one step at a time. And this is the first step. So go ahead, Sue, why don't you quickly identify the strategic sourcing project and then what this step entails.

Sue Klobertanz, Director, Bureau of Purchases: Good morning. Sue Klobertanz, director of purchases for the city of Portland. Mayor, you actually missed the discussion last week of the budget efficiencies, where we talked about this at length.

Katz: Good timing, wasn't it?

Klobertanz: Yes, definitely.

Katz: I listened.

Klobertanz: You did listen, yes. As we discussed last week, this particular contract is for phase one of the multiyear effort to change how the city buys its goods and services and put the city in a position to really use the tools that it's going to be available to them with the change in state law effective March 1, 2005. This phase one Silver Oaks contract actually would spend 10 to 12 weeks in an opportunity assessment process. In layman's terms, that means they'll be receiving downloads of our spending patterns from our financial system, analyzing, and then bringing back a final report to us that tells us where our major opportunities for savings exist. Following the completion of that phase one contract, we anticipate a process where we would review the recommendations with the steering committee, the strategic sourcing committee made up from folks from the major bureaus, the contracting coordinating committee and the mayor's fair contracting forum and bring the recommendations as they work through that process back to the council prior to an approval for the phase two award. If this phase one contract goes as anticipated, and we move forward with phase two, we're conservatively anticipating a savings of approximately \$25 million over the next six years. As many of you have pointed out, strategic sourcing is not new to the private sector. I

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believe it's time we caught up. With that, I will just stop and let you ask any questions you may have.

Katz: 25 million over the next six years? Ok. All your dreams will be realized.

Saltzman: So is the \$196,000 contract, is that for phase one or --

Klobertanz: That's for phase one. That's the 10 to 12-week data-gathering and assessment and recommendations that come out of that. I might mention that silver oaks has proposed to the city a cost of almost half of what they believe it actually is going to cost them. We will be their first major city, although they've done this process with many states, we'll be the first major city client that they've gone through this process with. And so if I do my math correctly, and I look at their proposal, that includes over 2500 hours of -- of time on their behalf, and I think that comes out to about 78 bucks an hour. I don't know any consultant that works for that price.

Katz: Sue, will they then -- remember, we had this program, office of finance and management. Will they then be able to advertise that they're doing this for the city of Portland and consequently pay us some money or is this their -- their cutting of the cost is in lieu of?

Klobertanz: Right. At the end of phase one, the city has written the proposal in the contract such that we have options.

Katz: We could do it ourselves.

Klobertanz: We can choose to move forward ourselves. We can choose to go back out for additional proposals and open it to competition again, or we can choose to negotiate with silver oaks and move forward with phase two.

Katz: So that's a decision that the council will help make to see if it -- if in fact we have the capacity to do it ourselves and what -- and how much time and effort that would be, or continue with an r.f.p. Ok. Further questions? All right. Anybody want to testify? Roll call.

Francesconi: Well, thanks, sue, for your work on this, and helping catch us up with the private sector. When we did this in parks, the first day we saved \$3,000. It's estimated -- we originally estimated \$200, but it's up to \$400,000 in annual savings through doing this. Aye.

Leonard: This is excellent work, and I appreciate it. Aye.

Saltzman: Sounds tantalizing. Aye.

Sten: Aye.

Katz: There are other agencies that i'm aware of, I don't know whether they use silver oaks or not, but they've used this notion of somebody coming in and taking a look how the business is done within their jurisdiction and identified a pretty hefty dollar savings amount that was pretty realistic in terms of meeting the goals. So if we can reach \$25 million in six years, I will be thrilled that we started on this project. If we can reach \$10 million, I would be very happy. My goal is to make sure that we have those resources so that we act wisely on the expenditure of those resources when that money's realized. Aye. Thank you, sue. [gavel pounding] item 469.

Item 469.

Katz: So it's about time, huh?

Susan Anderson, Director, Office of Sustainable Development: Once every 150 years.

Katz: Ok. Go ahead.

David Olson, Office of Cable and Franchise Management: Good morning, mayor and council members. I'm david Olson from the office of cable and franchise management. With me is susan anderson of the office of sustainable development and carol dillon of p.g.e. And I should say that this is a very positive development that -- to engage in a process. We look forward to working in a businesslike way together to conclude it. And the time is -- it's certainly timely to do this. As long ago as 1985, city auditor pointed out how important it is to have current and up-to-date franchise agreements with all the utilities. And this particular resolution essentially replaces a resolution that was adopted in 2000 at the time that p.g.e. Was engaged in discussions with sierra pacific. So this is really an update of that resolution. But the process really is the same, and we've had very good

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startup meetings with Portland general electric and we look forward to working with them, with the city team and a p.g.e. Team, to have prompt resolution to negotiations through mutually agreeable process. Thank you.

Anderson: Just a couple extra words. I just wanted to say that --

Katz: Identify yourself.

Anderson: Susan anderson, director of the office of sustainable development. This is a great opportunity to formalize what's been a pretty good relationship with p.g.e. over the years. I think as owner of the right-of-way it's really, really important that we take our responsibilities seriously in terms of ensuring for businesses and residents that they not only receive great quality of service, but the utilities are regulated monopolies. They have special privileges. One of those is being in our right-of-way. With that I think comes an obligation on both sides to be good partners. And we have this great opportunity, I think, to join with p.g.e. To help work together to pursue and meet our environmental, our economic development, and our social needs as a community together. I think this franchise should be used as a document to help ensure some of those things. Thanks.

Katz: Thank you.

Carol Dillon, Vice President of Public Policy, Portland General Electric: Good morning. I'm carol dillon, vice president of public policy at p.g.e. Peggy fowler wanted to be here this morning, but was unable to and asked that I read this letter into the record. It was just about a month ago that I was before you discussing the principles we share with you and the provision of safe, reliable electricity, economic development and commitment to community and the environment. We've worked side by side with you in the field and in all the communities of Portland through good times and bad. For more than a century, we've worked in tandem to build a modern city, prepared to meet the challenges of the future by doing the routine things exceptionally well, freeing us up to work together on the exceptional things when opportunities arise. In the center of the city, and in the neighborhoods of north and south and east and west Portland, there are examples on the landscape and in the heart of soul of each community where the city and p.g.e. Have invested in this franchise together. The time is long overdue to develop a mutually beneficial modern franchise agreement and it is in that spirit of collaboration that I offer my full commitment and support on behalf of p.g.e. To complete a modern franchise with the city of Portland in 2004. Sincerely, peggy fowler.

Katz: Thank you. Questions by the council? Anybody else want to testify? Roll call.

Francesconi: This was actually great testimony. I know it's preliminary, but the spirit of professionalism and cooperation and partnership and the realization that what we have in common is greater than some significant things that divide us is terrific. Aye.

Leonard: I do appreciate peggy fowler agreeing to meet with myself and david to come to this point. Carol, thank you for participating. We were all very impressed with the refreshing openness to update our franchise agreement. So, as I said in our meeting, i'm willing to do whatever we need to do to help successfully get there. So I appreciate very much you being here. Aye.

Dillon: Thank you.

Saltzman: Aye.

Sten: This franchise is archaic as the resolution says. It will be very good to get a new one done. Aye.

Katz: Mayor votes aye. 470.

Item 470

Katz: Roll call.

Francesconi: As I said previously, I do believe it's time to cut back on property tax abatements, especially in the pearl district, but this one, the low-income housing, would not be built without it. And there's a significant number of units, to house not only the very poor, but also poor working

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folks. And I also appreciate that we've added a look-back provision that only enforces the existing entitlement. I don't believe that it will be a chilling effect. Aye.

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

Katz: Mayor votes aye. Thank you, everybody. [gavel pounded] and we adjourn until next week. [gavel pounding]

At 10:51 a.m., Council adjourned.