



CITY OF  
**PORTLAND, OREGON**

OFFICIAL  
 MINUTES

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

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

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

Items No. 640, 641, 656 and 662 were pulled for discussion and on a Y-5 roll call, the balance of the Consent was adopted.

<b>COMMUNICATIONS</b>	<b>Disposition:</b>
<p><b>626</b> Request of Charles E. Long to address Council regarding Community Policing without police living in our community (Communication)</p>	<b>PLACED ON FILE</b>
<p><b>627</b> Request of John E. Voracek to address Council regarding Portland's anti-war movement (Communication)</p>	<b>PLACED ON FILE</b>
<p><b>628</b> Request of Pavel Goberman to address Council regarding Police Bureau keeping fraud reports on him (Communication)</p>	<b>PLACED ON FILE</b>
<p><b>629</b> Request of Merrick Bonneau to address Council regarding criminal violations by officers (Previous Agenda 602)</p>	<b>PLACED ON FILE</b>
<b>TIME CERTAINS</b>	
<p><b>630</b> <b>TIME CERTAIN: 9:30 AM</b> – Create a local improvement district to construct street improvements in the NE 148<sup>th</sup> Avenue Local Improvement District (Hearing; Ordinance introduced by Mayor Katz; C-10008)</p>	<p><b>PASSED TO          SECOND READING          JUNE 16, 2004          AT 9:30 AM</b></p>
<p><b>*631</b> <b>TIME CERTAIN: 9:40 AM</b> - Assess benefited property for the costs of SE 119<sup>th</sup> and Pine Housing and Community Development Local Improvement District (Hearing; Previous Agenda 605; Ordinance introduced by Mayor Katz; C-9992)</p> <p><b>Motion to place an emergency clause on the Ordinance:</b> Moved by Commissioner Saltzman and seconded by Commissioner Francesconi and gavelled down by Mayor Katz after no objections.</p> <p>(Y-5)</p>	<p><b>178479</b>          AS AMENDED</p>

**June 9, 2004**

<p><b>632</b>    <b>TIME CERTAIN: 9:50 AM</b> - Recommend an amendment to authorize the expansion of the North/Northeast Enterprise Zone Boundary (Previous Agenda 607; Resolution introduced by Mayor Katz)  (Y-5)</p>	<p align="center"><b>36220</b></p>
<p><b>633</b>    <b>TIME CERTAIN: 10:15 AM</b> – Confirm appointment of Andrew Jansky to the At-Large position on the Design Commission for a term to expire June 9, 2008 (Report introduced by Mayor Katz)  (Y-5)</p>	<p align="center"><b>CONFIRMED</b></p>
<p><b>S - 634</b>    <b>TIME CERTAIN: 10:30 AM</b> - Amend Title 33, Planning and Zoning to clarify and improve readability without changing policy or intent of the original regulations (Previous Agenda 624; introduced by Mayor Katz; amend Title 33)  <b>Motion to accept amendments:</b> Moved by Commissioner Leonard and seconded by Commissioner Francesconi and gavelled down by Mayor Katz after no objections.</p>	<p align="center"><b>SUBSTITUTE PASSED TO SECOND READING AS AMENDED JUNE 16, 2004 AT 9:30 AM</b></p>
<p><b>*635</b>    Amend Title 33, Planning and Zoning to clarify the regulations for Radio Frequency Transmission Facilities without changing policy or intent of the original regulations (Previous Agenda 625; Ordinance introduced by Mayor Katz; amend Title 33)  <b>Motion to accept amendments:</b> Moved by Commissioner Leonard and seconded by Commissioner Saltzman and gavelled down by Mayor Katz after no objections.  (Y-5)</p>	<p align="center"><b>178480 AS AMENDED</b></p>
<p align="center"><b>CONSENT AGENDA – NO DISCUSSION</b></p> <p align="center"><b>Mayor Vera Katz</b></p>	
<p><b>636</b>    Reappoint Sue Dicile to the Mt. Hood Regulatory Commission for a term to expire May 31, 2007 (Report)  (Y-5)</p>	<p align="center"><b>CONFIRMED</b></p>
<p><b>637</b>    Set hearing date, 9:30 a.m., Wednesday, June 30, 2004, to vacate a certain portion of SE Kelton Street west of SE 28th Place (Report; VAC-10018)  (Y-5)</p>	<p align="center"><b>ADOPTED</b></p>
<p><b>*638</b>    Authorize City Attorney to negotiate and execute settlement agreement in personal injury action (Ordinance)  (Y-5)</p>	<p align="center"><b>178453</b></p>
<p><b>*639</b>    Pay claim of Sharon Ramos (Ordinance)  (Y-5)</p>	<p align="center"><b>178454</b></p>
<p><b>*640</b>    Pay claim of Teresa Sheffer (Ordinance)  (Y-5)</p>	<p align="center"><b>178476</b></p>

**June 9, 2004**

<p><b>*641</b> Pay claim of Angelique Yeakle (Ordinance) (Y-5)</p>	<p align="center"><b>178477</b></p>
<p><b>*642</b> Create a new classification of Information and Referral Specialist and establish an interim compensation rate for this classification (Ordinance) (Y-5)</p>	<p align="center"><b>178455</b></p>
<p><b>*643</b> Authorize contract with Dyett &amp; Bhatia for professional planning services for the Regulatory Rethink Project (Ordinance) (Y-5)</p>	<p align="center"><b>178456</b></p>
<p><b>*644</b> Authorize an Intergovernmental Agreement with Multnomah County to provide up to \$60,000 to the Portland Office of Transportation for development of a Transportation System Plan for the unincorporated areas of Multnomah County within Portland urban service boundary (Ordinance) (Y-5)</p>	<p align="center"><b>178457</b></p>
<p><b>*645</b> Accept easements granted for the South Airport Basin Sewer Project and authorize payment (Ordinance) (Y-5)</p>	<p align="center"><b>178458</b></p>
<p><b>*646</b> Extend contract terms and establish not-to-exceed limits with eight consulting engineering firms for design related services as needed in support of sewer, wastewater treatment and pumping, drainage and water quality facility projects and provide for payment (Ordinance; amend Contract Nos. 34962, 34963, 34975 through 34979 and 35215) (Y-5)</p>	<p align="center"><b>178459</b></p>
<p><b>*647</b> Authorize loan agreement in the amount of \$400,000 between the City and the Oregon Department of Environmental Quality under the State Revolving Fund Program (Ordinance) (Y-5)</p>	<p align="center"><b>178460</b></p>
<p><b>*648</b> Authorize an Intergovernmental Agreement with Multnomah County to provide general heavy brushing work on right of ways, roadsides, trails and City properties (Ordinance) (Y-5)</p>	<p align="center"><b>178461</b></p>
<p align="center"><b>Previous Consent Agenda from June 2, 2004</b></p>	
<p><b>*649</b> Authorize the City to borrow up to \$20,000,000 in anticipation of the Fire and Police Disability and Retirement Fund levy for FY 2004-2005 (Previous Agenda 608) (Y-5)</p>	<p align="center"><b>178462</b></p>
<p><b>*650</b> Create a Nonrepresented classification of Police Management Services Division Manager and establish a compensation rate for this classification (Previous Agenda 609) (Y-5)</p>	<p align="center"><b>178463</b></p>

**June 9, 2004**

<p><b>*651</b> Authorize acquisition of vehicles for use by City bureaus (Previous Agenda 610) (Y-5)</p>	<p align="center"><b>178464</b></p>
<p><b>*652</b> Authorize exemption of competitive bid process for Federal Grant Expenditures (Previous Agenda 611) (Y-5)</p>	<p align="center"><b>178465</b></p>
<p><b>*653</b> Authorize a Cooperation Agreement with Northwest Regional Computer Forensic Laboratory and the Police Bureau to investigate and prosecute computer related crimes (Previous Agenda 612) (Y-5)</p>	<p align="center"><b>178466</b></p>
<p><b>*654</b> Authorize Intergovernmental Agreement with Oregon Department of Transportation to provide funding for engineering, reconstruction and rehabilitation of NW 23rd Avenue between W Burnside Road and NW Lovejoy Street (Previous Agenda 613) (Y-5)</p>	<p align="center"><b>178467</b></p>
<p><b>*655</b> Authorize acceptance of a Recreational Trail Easement at 10652 NE Holman from Portland Motorcycle Company (Previous Agenda 614) (Y-5)</p>	<p align="center"><b>178468</b></p>
<p><b>*656</b> Authorize contract with Decision Point Analytics, Inc. for \$31,800 to provide an upgrade of the Parks Project Tracking System (Previous Agenda 615)</p>	<p align="center"><b>REFERRED TO COMMISSIONER OF FINANCE AND ADMINISTRATION</b></p>
<p><b>*657</b> Amend contracts with the five neighborhood association district coalitions for program operations to provide for FY 2003-2004 funding (Previous Agenda 616; amend Contract Nos. 34248 through 34252) (Y-5)</p>	<p align="center"><b>178469</b></p>
<p><b>*658</b> Accept six tax-foreclosed properties from Multnomah County for riparian habitat restoration purposes (Previous Agenda 617) (Y-5)</p>	<p align="center"><b>178470</b></p>
<p><b>*659</b> Authorize the Bureau of Water Works to purchase real property within the Bull Run Management Unit from Western Rivers Conservancy for \$95,000 plus closing costs and provide for payment (Previous Agenda 618) (Y-5)</p>	<p align="center"><b>178471</b></p>
<p><b>*660</b> Amend Intergovernmental Agreement with Multnomah County by \$20,000 to provide administration of eligibility verification for Water/Sewer Bill Discount and Crisis Assistance Program (Previous Agenda 619; amend Contract No. 33299) (Y-5)</p>	<p align="center"><b>178472</b></p>
<p><b>*661</b> Amend subrecipient contract with Southeast Works/English as a Second Language Training program, extend date until August 31, 2004 and provide for payment (Previous Agenda 620; amend Contract No. 34955) (Y-5)</p>	<p align="center"><b>178473</b></p>

**June 9, 2004**

<p><b>*662</b> Adopt the Consolidated Plan Action Plans 2004-2005 and authorize application to the U.S. Department of Housing and Urban Development for the Community Development Block Grant, HOME Investment Partnership, Emergency Shelter Grant, and Housing Opportunities for Persons with AIDS Programs (Previous Agenda 621)  (Y-5)</p>	<p align="center"><b>178478</b></p>
<p align="center"><b>City Auditor Gary Blackmer</b></p>	
<p><b>*663</b> Revise to clarify the portions of parcels 1 and 2 of Partition Plat 1999-129 of SW River Drive to be rezoned (Ordinance; amend Ordinance No. 175679, LUR 00-00690 CP ZC)  (Y-5)</p>	<p align="center"><b>178474</b></p>
<p><b>*664</b> Extend deadline for submission of documents to Auditor for filing in the Portland Policy Documents (Ordinance; amend Code Chapter 1.07)  (Y-5)</p>	<p align="center"><b>178475</b></p>
<p align="center"><b>REGULAR AGENDA</b></p>	
<p><b>665</b> Endorse the Lewis and Clark Mount Hood Wilderness proposal and support federal wilderness protections for the remaining roadless areas in the Mount Hood National Forest and Columbia River Gorge (Resolution introduced by Mayor Katz and Commissioners Francesconi, Leonard, Saltzman and Sten)  (Y-5)</p>	<p align="center"><b>36221</b></p>
<p><b>666</b> Accept an Intergovernmental Agreement with Multnomah County for \$260,000 to provide energy efficiency services to low-income multifamily properties (Previous Agenda 622; Ordinance introduced by Mayor Katz and Commissioner Saltzman)</p>	<p align="center"><b>PASSED TO SECOND READING JUNE 16, 2004 AT 9:30 AM</b></p>
<p align="center"><b>Mayor Vera Katz</b></p>	
<p><b>667</b> Direct City Attorney to withdraw unfair labor practice complaints against the Portland Police Association (Resolution)  (Y-5)</p>	<p align="center"><b>36222</b></p>
<p><b>668</b> Change the name of NE Clark Road between NE Glass Plant Rd. and NE 105th Ave. to NE Alderwood Rd. (Ordinance)</p>	<p align="center"><b>PASSED TO SECOND READING JUNE 16, 2004 AT 9:30 AM</b></p>
<p><b>*669</b> Authorize a labor agreement between the City and the City of Portland Professional Employees Association for terms and conditions of employment for certain represented employees (Previous Agenda 623)  (Y-5)</p>	<p align="center"><b>178481</b></p>

**June 9, 2004**

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**City Auditor Gary Blackmer**

**670** Assess property for sidewalk repair by the Bureau of Maintenance (Hearing;  
Ordinance; Y1051)

**PASSED TO  
SECOND READING  
JUNE 16, 2004  
AT 9:30 AM**

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**June 9, 2004**

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**WEDNESDAY, 2:00 PM, JUNE 9, 2004**

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

**June 10, 2004**

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **10TH DAY OF JUNE, 2004** AT 2:00 P.M.

THOSE PRESENT WERE: Commissioner Sten, Presiding; Commissioners Francesconi, Leonard and Saltzman, 4.

Commissioner Saltzman arrived at 2:03 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Frank Hudson, Deputy City Attorney; and there was no Sergeant at Arms.

At 3:22 p.m., Council recessed.  
At 3:30 p.m., Council reconvened.

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

Commissioner Saltzman arrived at 3:35 p.m.  
Commissioner Saltzman was excused to leave at 5:25 p.m.

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

<p><b>671</b>    <b>TIME CERTAIN: 2:00 PM</b> – Appeal of Brooklyn Action Corps Neighborhood Association against Hearings Officer’s decision to approve the application of VoiceStream Wireless for a conditional use and adjustment review to construct a wireless telecommunications facility at 4729 SE Milwaukie Avenue (Hearing; LU 03-176954 CU AD)</p> <p><b>Motion to deny the Hearings Officer's recommendation and uphold the appeal:</b> Moved by Commissioner Leonard and seconded by Commissioner Francesconi.</p> <p>(Y-4)</p>	<p><b>Disposition:</b></p> <p><b>UPHOLD THE APPEAL AND OVERTURN THE HEARINGS OFFICER’S DECISION, PREPARE FINDINGS FOR JUNE 16, 2004 AT 9:30 AM</b></p>
<p><b>672</b>    <b>TIME CERTAIN: 3:30 PM</b> – Accept Third Amendment to the South Waterfront Central District Project Development Agreement and direct implementation (Resolution introduced by Mayor Katz)</p> <p><b>Motion to accept amendment to amend section 9.24:</b> Moved by Commissioner Saltzman and seconded by Commissioner Francesconi and gavelled down by Mayor Katz after no objections.</p> <p><b>Motion to accept amendment to the work force updated numbers (amended Exhibits I1 and I2):</b> Moved by Commissioner Saltzman and seconded by Commissioner Sten and gavelled down by Mayor Katz after no objections.</p> <p>(Y-4)</p>	<p><b>36223</b> <b>AS AMENDED</b></p>



**June 10, 2004**

<p><b>673</b> Approve the City Engineer recommendation for the design of the Portland Aerial Tram and direct implementation of the project and associated neighborhood improvements (Resolution introduced by Mayor Katz)</p> <p><b>Motion to accept amendment to have City Council direct the City Engineer to pursue and bring back to council for consideration a fair market value, one-time limited term property buyout program based on an independent appraisal for owner occupied residential properties along SW Gibbs Street alignment:</b> Moved by Commissioner Saltzman and seconded by Commissioner Francesconi. (Y-3; N-2, Sten, Katz)</p> <p><b>Motion to accept amendments submitted by Oregon Health Sciences University letter dated June 9, 2004:</b> Moved by Commissioner Sten and seconded by Commissioner Francesconi and gaveled down by Mayor Katz after no objections.</p> <p>(Y-4)</p>	<p align="center"><b>36224</b> AS AMENDED</p>
<p><b>674</b> Declare intent to initiate local improvement district formation proceedings to construct improvements in the Portland Aerial Tram Local Improvement District (Resolution introduced by Mayor Katz; C-10009)</p> <p>(Y-4)</p>	<p align="center"><b>36225</b></p>
<p><b>*675</b> Amend contract with Portland Aerial Transportation, Inc. for design, project management, expert tram advisory and peer review services for the Portland Aerial Tram (Ordinance introduced by Mayor Katz; amend Contract No. 35021)</p> <p>(Y-4)</p>	<p align="center"><b>178482</b></p>

At 6:43 p.m., Council adjourned.

GARY BLACKMER  
Auditor of the City of Portland

By Karla Moore-Love  
Clerk of the Council

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

June 9, 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.

**JUNE 9, 2004            9:30 AM**

**Katz:** Good morning, everybody. The council roll call will come to order. Karla, please call the roll. [roll call taken]

**Katz:** We have a delegation here from thailand. I want them to be recognized. They're from several of the major cities. I'd like ron to introduce them, and share with us -- come to the mike. -- share with us what they're doing here.

**Ron Bergman, Director, Bureau of General Services:** Mayor, members of the council, thee delegation from thailand today is part of a program the city is working with funded by the u.s. agency on international development in partnership with the international city/county management association and the u.s./asian environmental partnership. All of these agencies have come together to help us help these cities in thailand with two different projects in each city. Each city is working on a redevelopment project in their downtown or core areas, and they're learning from the experiences that Portland has had in those kinds of projects. We're also working with them on an environmental management project through the use of sound financial practices. We're works on understanding the costs of providing utility services to the citizens and turning those into rate structures that are appropriate for their individual communities. So with that, what i'd like to do now is actually introduce the members of the delegation to you. We have mr. Kekani, the deputy city clerk. Dr. Tasoni, the public health and environmental department manager. We have mr. Swamchi, the deputy city clerk. We have mr. Poppersot, the landscape and structural manager, and mr. Wongot head of the wastewater treatment structure. We have mr. Serpong, the city planner and architect, and we have the sanitation specialist.

\*\*\*\*\*: Thank you. How many days are they --

**Bergman:** They're here all this week. We've been working they hard, spending lots of time on learning about public participation and dealing with public meetings of all types. We were very interested -- we came yesterday to your work session to learn about the issues on the reservoirs, and that was very instructional for them in terms of how the process worked. We gave them some background about how we got to this situation. So it was helpful, too. So thank you.

**Katz:** Good. Thank you. Part of communications during council is we have 15 minutes up front -- do we all understand me? Ok. 15 minutes up front. Citizens can sign up just to talk to us. There's no conversation back and forth, but they have three minutes to tell us how they feel about any topic. We even have people who come and pray for us, and that we need a lot of help with. Ok, so let's start with communications. 626.

### **Item 626.**

**Katz:** Charles is a regular. We now call him by his first name as opposed to his last name.

**Charles E. Long:** I'm charles long. I live in Portland. I first wanted to express our condolences to dan Saltzman on the loss of his father, and i'm sure all the council concurs in our condolence.

**Katz:** Thank you, charles. That's very sweet.

**Long:** I'm concerned, as you know, about the policing situation. And community policing has been touted as a remedy to our police problems, but it is in reality just -- just a rhetoric. We should be aware that half of the Portland police force does not live in the city of Portland. They live in Washington, clackamas, yamhill, or even clark county, Washington. So I think one thing the city

**June 9, 2004**

could do is to give a credit on police applications, applications for police work, to those that live in the city. Now the last two killings by the Portland police, Kendra James and James Perez, were by police who apparently did not live in Portland. So I think that's one reason that we should try to get residents that live in the city to be our -- on our police force. I think that would help greatly. Thank you.

**Katz:** Thank you, Charles. 627.

**Item 627.**

**\*\*\*\*\*:** You don't have two hours, do you?

**Katz:** You got three minutes.

**\*\*\*\*\*:** Ok. The last time I was here I had just come back from -- can I stand?

**Katz:** You can sit. Whatever you want.

**John E. Voracek:** The last time I was here, I had just come back from Israel and I wanted to address the city council regarding the -- the -- I don't call it antiwar movement, peace rally. Basically to me it's a terrorist rally that they had, that the city had, where they basically took over the city, closed the bridges, closed the streets, the freeways, and what I understand threw some cops over one of the bridges. And, Mayor, you weren't here, but I read an email that I had sent to you, and the two -- two demonstrations -- or two instances that I want to bring up, one was on March 20 where I -- I was the only person basically confronting this -- again, not peace rally, that support the Arab terrorist movement, that they had in Pioneer Square, and I was by the overhang by the coffee shop there, and I had a 3x5 American flag and Israeli flag, waving it around. I was there for about six years. After half an hour I noticed something was missing there. I realized I had the only American flag out of how many 5,000, 6,000 people, however many the square holds when it's crowded. Two American flags were there, one upside down and the other one had corporate symbols where the stars were. So I kind of looked at that, and, ok. And I want to address the -- there were three signs that people were walking around with there. And my attitude with respect to everybody, I just want to quote the signs, I don't want to have to lie about it, that they were handwritten signs, fairly big, and the first one that I saw, and the police can back me up that were standing there, the first one said -- the guy was walking around -- said fuck America, the second one said, U.S.A., land of terrorists, the third one said Americans are murderers. And this is Will Simons, our great terrorist supporter in town, was working around real close, smiling at it, everything else. Ok, fine. The event that brought me here was a couple of weeks ago, I was coming back from the movies, and I happened to stop by Pioneer Square and they were having a memorial service. So I went down -- I went down into the -- into the square, and what do I see, they're vague memorial service, they're having violins, prayers and flowers, and everything, and it's a memorial service for the Iraqis that were killed in Iraq. Nothing to do with Americans. The Iraqis that we're fighting, the Iraqis that their soldiers are killing our soldiers, this is what a memorial service was. And I kind of got in Will Simons' face about it, and when somebody realized that I was -- that I was Jewish, they started yelling at me. If I was old enough to be a Holocaust survivor, this would have went over really big. And I've got pages that I'm going to leave here.

**Katz:** Ok.

**Voracek:** I just come back from --

**Katz:** Your time is up, but you can come back next week. If you want to continue this conversation. He can come back next week?

**Moore:** We're full next week.

**Katz:** Ok, sorry.

**Voracek:** I knew that. I'm just going to leave this with the lady here. It will be self-explanatory.

**Katz:** All right. Thank you. 628.

**Item 628.**

**June 9, 2004**

**Pavel Goberman:** Hello. My name is Pavel Goberman. I live in Beaverton. You've got my address. Mayor Vera Katz knows me. Many years, correct?

**Katz:** Cause you have been here often.

**Goberman:** Many years I spoke before city council, maybe seven, eight, 10 years ago. Ok, now I want to talk about Portland police keeps my files. On December 5, 2001, I spoke before city council. There were informants. One person stole me for \$3,000. I tried to reach him. Contacted Portland police about it. Didn't make record. Not any record. But when I -- I was official candidate, and for my protection, protection of people, I applied for conceal weapon permit, but Washington county sheriff refuse it because police have record about me. Person is innocent till proved guilty, but Portland police refuse it. You're responsible for this. I may file lawsuit for violation of my civil and human rights. Therefore I ask to delete wrong file. And now I talk -- again, about second one, my letter about offer proposal on my health fitness program as consultant. Couple years ago I spoke before city council about my fitness program for city employee. I promise to save couple million dollar, but city refuse it. And Mr. Francesconi, I'm sorry for you. I think that you are not very good money manager. I promise, it's very easy to spend money, but to save is opportunity, you lost opportunity. Now again, I gave you up -- what? Now again, I'm giving you opportunity to adopt my fitness program. I promise it to save city many millions dollars. And second, also I organize exercise classes, additional, for people for possible prevention of breast cancer and second group of women who have breast cancer in the early stage. My goal help women. Thank you. Do you have any question?

**Katz:** Thank you?

**Goberman:** Thank you.

**Katz:** 629.

**Item 629.**

**\*\*\*\*\*:** Good morning. Council members, Mayor.

**Katz:** Good morning.

**Merrick Bonneau:** Karla, once again I have something to pass out. I'm handing up to you the same thing that I've handed up to you the previous times, the two previous times I've come before you regarding this matter. My name is Merrick Bonneau, a citizen of Portland. Unfortunately a victim of police brutality. Like I've previously said, I've already been before you twice. This is the third time. This is regarding my false arrest and brutality. I brought before you my arrest record, the citation I was given and the information by the district attorney. I've already informed you about the fact that the charge on the information says resist arrest, not assault, even though the record -- arrest record that I was given says assault on it, coordinating with the information of the district attorney that I have given with you. Obviously they've given me a false record. I've already went over with you the fact that they put alias, the fact that even though this was the first time I was ever arrested, they put special indicators of resist arrest, even though I did not resist, and was found not guilty of the crime of resisting arrest, of which the city attempted to prosecute me for. As you can also note, that it says I'm a six-foot, 180-pound white man. Obviously I'm not. The charge on the thing like I previously have said is resist arrest, not assault. They say that there's no complaints of evidence -- no complaints of evidence or injury. The officers admit that I did not assault the officers. They say that there are no additional charges. And the name on the ticket is Brad Clifton, even though it is clearly written by James Dacon. These are criminal acts committed by officers, giving an innocent citizen a false record. Now I would like you to look at the bottom right-hand corner of the arrest record that's on page one. There's a date on it, which reads December -- excuse me -- which reads June 26, 2003. Now if you all recall, the city, according -- the city was supposed to expunge my record, along with five or six other things, with respect to an agreement. The city has not followed through with any of the agreements that it has agreed to, and therefore by

**June 9, 2004**

repudiated the settlement along with me. This date of June 26, 2003, is almost two years after the city was supposed to expunge my record. They have still not done that. These are crimes. I believe the officers need to be held accountable for their actions. Mayor Katz, you're in charge of the police officers. I expect you should do something about this.

**Katz:** Ok, thanks. Consent calendar. Items to be removed.

**Bonneau:** Unfortunately, I apologize for interrupting, unfortunately I do not have faith that you will do anything with respect to this.

**Katz:** Thank you. Item 656. Any other items that the council members would like to remove off the consent calendar?

**Leonard:** I didn't notify you earlier, I'm sorry, I'd like 640 and 641.

**Francesconi:** I don't notify you either, but 662.

**Katz:** You guys the reason for notification is we may have to bring people in --

**Leonard:** Right.

**Katz:** What was yours, commissioner Leonard?

**Leonard:** 640 and 641.

**Katz:** Ok. And yours?

**Francesconi:** 662.

**Katz:** I don't think we have the people to respond to these, so let's pull them off.

**Moore:** 640, 641 and 662.

**Katz:** Right, and 635. Any other items to be removed?

**Moore:** 635 or 656?

**Katz:** We've got 640, 641, 635 and 662. All right, roll call on consent calendar.

**Moore:** There's no 635 on consent. Did you mean 656?

**Katz:** Oh, I'm sorry. Yes. I had it marked for something else.

**Moore:** Ok.

**Katz:** Ok. Roll call on consent.

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

**Katz:** Mayor votes aye. [gavel pounded] if it's all right for the council, I'd like to pull 656 back, but we'll read it.

**Item 656.**

**Katz:** The purchasing agent has the authority to do these contracts of \$100,000 or more. So no objections to pulling it back to my office? Hearing none, so ordered. [gavel pounded] ok. Let's try 640.

**Item 640.**

**Leonard:** What I'm looking at here doesn't tell me a lot. It was a claim settled with -- there's two of them in a row that appear to be related. 640, 641, Teresa Sheffer, Angelique Yeakle for little more than \$20,000 a piece as a settlement against the police bureau involved in some arrest incident. I'd like to know the circumstances.

**Harry Auerbach, City Attorney's Office:** Mayor Katz, Harry Auerbach from the city attorney's office. This is the case that arose in Pioneer Courthouse Square where the two women gathering signatures. Where Judge Haggerty invalidated the prior version of our park exclusion ordinance. Since we passed a new park exclusion ordinance, we settled the litigation and so there's payment for each of the plaintiffs and their attorneys' fees.

**Leonard:** And the payment, is it -- I guess I didn't know about that case, that there was an arrest involved. I know that they were --

**Auerbach:** It was a citation. One of them got a criminal citation. They both got park exclusion.

**Leonard:** The settlement says in an arrest incident. So the payment is for that, not from some altercation or --

**June 9, 2004**

**Auerbach:** That's correct. There was no altercation. They were just issued paper on the spot and let go.

**Leonard:** Ok, thank you.

**Katz:** Anybody else want to testify on this item? If not, roll call.

**Francesconi:** That's actually an expensive lesson, you know, an expensive use of taxpayer dollars. We can't repeat this. And so it's a good thing that we modified the ordinance. Aye.

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

**Katz:** Mayor votes aye. [gavel pounding] 641.

**Item 641.**

**Auerbach:** That was the other plaintiff.

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

**Francesconi:** Aye.

**Leonard:** I would request that in the future these kinds of claims, if it could, have them be just on the regular agenda so they could be explained. I'd like to better understand when we're settling police claims why we're doing it.

**Katz:** Ok.

**Leonard:** And I understand that I could ask for a briefing, but I do think these issues are important to discuss here. If we're settling them here, the public should hear why.

**Auerbach:** We'll follow up with you and the mayor on that.

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

**Katz:** Mayor votes aye. [gavel pounded] let me just -- that's fine, but I think it's far better use of everybody's time, is to have the attorney explain the claim, and we can put it on the regular agenda. Ok. 662.

**Item 662.**

**Francesconi:** I just think that given the severity of the housing crises, it's good to have a public discussion about this. I'm particularly interested in the issues of minority home ownership participation as well as the issue of homeless youth. So I just think it's healthier to have a discussion. I should have -- I was unaware, given my absence last week. So I'd just ask that we -- if it can be done without any timing problems, to hold it over for a week and have a discussion about it. That's why I pulled it.

**Katz:** Ok.

**Sten:** I can check. I mean, it's gone through a whole public hearing process to get to us --

**Francesconi:** But this is the place for the public hearing.

**Sten:** I would prefer to vote it through, keep it moving to h.u.d. and if we want to have a council informal under housing, I'd be glad to do it.

**Katz:** What's the sense of the council on this?

**Leonard:** Seems we have two staked-out positions here.

**Katz:** I'm going to ask the council to vote on this since I don't think the plan is going to change during the conversation. But I think it's important, if the council members want information, or further discussion, that we put that back as a report of some sort. All right? Anybody want to testify on this item? Roll call.

**Francesconi:** We're about to -- you know, we've been asked to spend general fund money on housing, which is appropriate, to not have a public discussion on the plan that we're submitting to the federal government on housing in front of the council and adopting it on consent agenda, just not appropriate. No.

**Leonard:** Aye.

**Saltzman:** Aye.

**June 9, 2004**

**Sten:** Well, you know, I guess it would be helpful to have some notice if people would like to have a discussion. This is a plan that goes in every year to h.u.d. and is debated at great length around town, and I think it's disingenuous at best to imply that our housing policies are not well debated and well known. This is something that needs to be submitted to h.u.d. to apply for the annual block grant. I don't appreciate the inference. Aye.

**Katz:** This is an emergency ordinance, and so unless you vote for it, commissioner Francesconi, it fails.

**Ben Walters, Office of the City Attorney:** I was just going to point that out.

**Katz:** Excuse me.

**Walters:** I was just going to point that out.

**Katz:** Yeah, I noticed that.

**Francesconi:** I'll change my vote if there's an emergency -- I mean, if there's a time issue here, I will change for the will of the council, but it has to be based on time, not the substance here. So if you tell me that there's some timing issues.

**Sten:** I mean, I don't know. I'm sure we could submit it to h.u.d., if it's not an emergency ordinance, if you're against it.

**Katz:** Do you know anything about it? Come on up.

**Walters:** It does provide that the consolidated action plan must be submitted to h.u.d. by may 15, 2004, and the city has obtained an extension this year.

**Francesconi:** That's sufficient. I've stated my objection, but I'm going to reverse my decision for the good of the order here in terms of timing.

**Katz:** Thank you. The motion passes. [gavel pounded] again, i'll ask the council members to flag these things earlier so that the commissioner who are working on these issues are aware of that and we bring folks to talk to us about it in a timely fashion.

**Francesconi:** I'm also going to request, as commissioner Leonard did, that these kind of things not be put on the consent agenda.

**Katz:** Okay.

**Sten:** If we're going to have council discussion of that, I want to be clear on the record, what was filed on the council agenda was the formal filing of the plan. I need a vote of the council to file the plan. To my knowledge, every single council office has been briefed multiple times, there have been public hearings, and this is simply a submission of a well-adopted city housing policy to h.u.d. So I understand the politics, but if we're going to put on the record what we're saying is that there's not been a public hearing on the city's housing policy, that couldn't be further from the truth.

**Francesconi:** No, it's not that. I believe there's a public hearing, but I believe when we're talking about very important policies here and adopting a new one-year action plan, just having a public discussion with the council, so we get more engaged in housing, all of us, that's the point i'm trying to make. Not that there hasn't been a public hearing, but that the council themselves give you some help and get engaged on the housing issues. That's my point.

**Sten:** You're the only commissioner I'm aware of who doesn't feel engaged on housing issues.

**Francesconi:** I feel very engaged on housing issues, it's just that we have to have a public discussion at the council level when we're adopting a new one-year plan. That's all.

**Katz:** All right. This is going to be a long day, I think.

**Leonard:** A long summer. [laughter]

**Katz:** Item -- we're at time certain. All right, 630.

**Item 630.**

**Katz:** Ok, talk to us about it.

**Andrew Aebi:** Good morning, mayor and commissioners. Andrew aebi, local improvement district administrator. Council accepted petitions for the northeast 148th avenue local improvement

**June 9, 2004**

district on the may 12 consent agenda with petition support of 91.6% and government support of 2.1% for total support of 93.6%. Total support is 100%. This is a map of the area around the improvement, northeast 148th avenue will be improved from the existing curbs north of airport way to the south line of marine drive. The shaded green area to the left of northeast 148th avenue is the site of a planned development. They're funding over 80% of the cost of this. Special thanks to them for being good corporate partners on this. Here's a view of the street. The existing street from marine drive, looking south. This is another view of the street. We will be straightening out the grade of northeast 148th avenue, approaching marine drive to improve site distance and to make the intersection safer. The development will be on the left and the existing Portland habilitation center facility is on the right. Finally this is a typical action of how the new street will look. We will be adding a turn lane in the middle to accommodate local freight movement and we'll also be adding bike lanes and sidewalks to provide additional transportation choice in one of Portland's newer neighborhoods. Thank you.

**Leonard:** Can I ask a question?

**Katz:** Sure.

**Leonard:** At 148th and marine drive, dangerous intersection. Any plans for a stoplight look traffic and weather?

**Aebi:** No. There was a columbia corridor study that was done several years ago and the decision was made not to include a traffic signal there to discourage truck traffic, additional truck traffic on marine drive.

**Leonard:** It is the site of a number of fatal accidents.

**Aebi:** I can certainly provide some additional information for next week at the second reading, but that was something that the traffic investigation looked into.

**Katz:** Will you provide that information to the commissioner?

**Aebi:** Yes.

**Katz:** Thank you. Further questions?

**Leonard:** So where this pumpkin patch used to be, they're going to develop what in there?

**Aebi:** I think we have ben peterson here from prologic who can explain that if further detail.

**Ben Peterson, ProLogis:** Thank you. Ben peterson with prologis, were a publicly traded real estate investment trust based in aurora, colorado. Prologis currently owns about 18 buildings in the city of Portland, all industrial buildings, and were home to 44 corporate customers who are tenants in those buildings. We've been developing properties in the city of Portland for the past 10 years. And I just want to go on record as saying we appreciate our relationship with the city of Portland. We develop all over the united states and all over the world now. It is truly one of the best and easiest places to actually develop --

**Katz:** Can you repeat that three times so the world hears it? I'm serious.

**Leonard:** Getting ready to talk about how easy it is to get a permit now.

**Peterson:** I truly mean this. We have some representatives from california and denver here today. Portland does an excellent job working with developers to move things through at a rapid pace as the business world does command. So we appreciate that. We plan on continuing that for the next 10 years.

**Katz:** Randy, randy, you hear that?

**Leonard:** That randy.

**Peterson:** It's my pleasure.

**Katz:** Thank you.

**Peterson:** We're endeavoring to build --

**Leonard:** I'll put away my save the pumpkin patch sign now.

**Peterson:** Well, it's good to know that the produce stand is going to stay.



**June 9, 2004**

**Leonard:** Excellent. But what about the pumpkin patch?

**Peterson:** I'll still sell you the pumpkins. We're endeavoring to build up to four new buildings, up to 527,000 square feet for distribution and manufacturing uses. Development will help contribute substantial job growth, as many as 451 new jobs at the completion of the project. As a part of the development, we'll be participating in the local improvement district to modernize the 148th street improvements, which you just saw. Additionally, we'll take all the precautions to be environmentally sensitive. And we'll be enhancing approximately 1,200 lineal feet of the Columbia slough, which is adjacent to the project to the south side which actually divides the location of the produce stand, the barn, which is the famous produce stand. So with that, if you have any questions about the project, I'd love to answer them.

**Leonard:** Well, thank you for doing business with the city. We appreciate your investment.

**Katz:** Further questions? Anybody else want to testify?

**Moore:** We have a Paul Lyons.

**Katz:** Again, sir, on behalf of the council, thank you for being here and working with us.

**Peterson:** Appreciate it.

**Paul Lyons, Director Special Projects, Portland Habilitation Center:** Good morning, Mayor Katz and council members. My name is Paul Lyons, I'm the director of special projects with Portland Habilitation Center. I'm here representing our company and board of directors which has signed a resolution to both support and approve moving forward on this I.I.D. As you probably know, Portland Habilitation Center employs and trains people with permanent disabilities. The vast majority are out working on sites, including this building and the airport and the like, but we do employ people with different restricted kind of disabilities on our plant and access to the plant is difficult if they don't take tri-met. So we're very much looking forward to getting the sidewalks in this completed. Something we were committed to when we moved in some eight-plus years ago. So we're looking forward to it. I also want to add, and I won't have to say it three times, Mayor, is that the professionalism and thoroughness of Andrew Aebi of the Department of Transportation has been appreciated, and I'm also developing housing for the disabled in northeast Portland and the work that the city at a number of levels, in particular the building department, Gene Hester, a planner, we've had nothing but, you know, intense dialogue and professionalism and advice in moving forward on that. So as one partner in the city for a long-term, we appreciate all of the support of our public servants. Thank you.

**Katz:** Thank you. Anybody else? If not, it passes to second. Item 631.

**Francesconi:** Thanks, Andrew. Thanks. That was nice testimony, supporting the city employees. Thanks, Andrew.

**Item 631.**

**Andrew Aebi:** Good morning again. Andrew Aebi, local improvement district administrator. This project was made possible with community development block grant funding from the Bureau of Housing and Community Development, which covered the majority of the project costs for the southeast 119th and Pine I.I.D. I would like to thank the water bureau for their financial participation in the project as well. Waterlines in the area were upgraded at no cost to the property owners at a significant savings to the water bureau by combining it with the street improvement project. We received no objection to final assessment from any of the owners in the 56 properties in the local improvement district by the filing deadline. Ok, Karla, what am I doing wrong here? You'd think I'd have this down by now.

**Katz:** While you're playing with this, we need to make this an emergency ordinance?

**Aebi:** Yes.

**Katz:** Ok.

**June 9, 2004**

**Aebi:** I'll explain that. Actually i'll just go ahead and explain that. I submitted an amendment to make this an emergency ordinance, because we have a number of property transactions that are depending on clear liens to titles and obviously we got delayed from last week due to the lack of a quorum. Briefly to recap this project, similar to what we're offering in lent, the property owners' costs were guaranteed and low income grants are being offered to qualifying property owners. Here's an example of what southeast ash street used to look like before this l.i.d. was constructed and what it looks like now. In addition to street and waterline improvements, an infill sidewalk was also constructed to connect this neighborhood to ventura park elementary school and to the max light rail blue line. Finally the street improvements have encouraged development of new housing by both the public and the private sector. This project serves pine point apartments, but construction of 14 new multifamily units a block away is already under way as shown in this picture. Across the street from pine point apartments, what used to be a boarded-up house has been torn down and is being replaced by new housing. So again, I would like to thank the bureau of housing and community development for their partnership in investing in transportation infrastructure for this neighborhood. This investment is being leveraged for new housing, access to transit and access to schools. Special thanks to many people across many different bureaus whose teamwork made this project a reality. Thank you.

**Katz:** Anybody else want to testify? There have been no objections filed, andrew, is that correct?

**Andrew Aebi:** Andrew Aebi, there were no written objections received by the filing deadline, but we have several people with us here today.

**Katz:** Ok.

**Paula Allen, :** Good morning. Actually i'm paula allen.

**Katz:** Grab the mike, paula.

**\*\*\*\*\*:** Excuse me?

**Katz:** Are you going to testify?

**\*\*\*\*\*:** She's my support, mayor. She's the one with the brains. We own four properties --

**Katz:** One second. Go ahead.

**Jack Allen:** I'm jack allen. We own four properties within the project. We do have some major concerns and we did file -- or have written to andrew with regards to that months ago, and our main concern on one of the properties at 12012 southeast ash, they have built a retaining wall. And in our discoveries we're finding that it's very possible that that retaining wall does not meet code, was not constructed properly. I have not received back from the people i've requested information from the total information I requested, including andrew, I requested the name of the block and the contractor where he purchased that so that we can get the manufacturer's specifications on a wall of that height. It is over four feet. It not been engineered. The design on the wall is not the same as the wall was built. The wall was added on to. It just isn't right, but we're still working in discovery of finding out what is wrong. I'm going to ask for the inspector's log on the property for the wall and also ask for a compaction test to be done, because I don't believe that it was compacted soil, which it has to be to meet standards. On the property on 12107 southeast ash, we indicated that some of the arborvitae trees had been knocked over, destroyed. The tenant removed those trees, except for one. In the response we received back it says that upon visual inspection of the property there were no missing trees or damage to the trees. I have photographs if you'd like to see those. I have one tree that is now like that.

**P. Allen:** We have the photographs.

**J. Allen:** Yeah. The grade levels on the property at 121 -- 12012 are extremely dangerous. When they did the construction they went on to the property and removed a great portion of the driveway, leaving a four-foot bank, and they have not put a retaining wall up on that. When the city put the

**June 9, 2004**

new waterline in and our houses were vacant for seven months, on a four-month project because tenants moved out, we couldn't rent the properties because we had no access to the properties --

**Katz:** Your time is up.

**J. Allen:** Ok.

**Katz:** Maybe your other half can --

**J. Allen:** Does she get time, too?

**Katz:** She gets time, too. She's an individual open her own.

**J. Allen:** You can say that again. [laughter]

**P. Allen:** Thank you. What would you like --

**J. Allen:** Oh, if they have any questions.

**Katz:** Did you want to add anything to anything your husband said?

**P. Allen:** Well, just that the retaining wall, it's obvious there's problems with it because there's dirt coming through the materials they used. Plus, the slope to the land is not correct. The water -- there was a drainout pipe that was left protruding, and it's not buried enough that you can't run a lawn mower over it. There seems to be a lack of paying attention to detail and respect for the property.

**Katz:** Ok, thank you. We'll have Andrew respond to that at the end of the hearing. Go ahead.

**Kathy Phelps:** My name is Kathy Phelps. I own with my husband Omega Funeral and Cremation which is on 122nd between Pine and Ash. Although we're relieved and happy that the project is almost complete we want our concerns to be addressed. First the project was late in starting and late in completion. We were promised the Pine Street and Ash Street would not be worked on at the same time. Assured that our driveways to our parking lot would not be blocked and we would have access to our business. Our driveways were blocked on more than one occasion. We were needed to park elsewhere and make calls to the city or speak to the workers directly. The families we serve are under enough stress. They come to our facility to make final arrangements or perhaps have a service. We did lose business, had families making comments about the construction, but blocking driveways they couldn't always have access. There were times when our drive-thru in the front of our building was used for the heavy equipment. They were curious as to why our private property was used as the breezeway through and not the public street, although we did call Denise and addressed these concerns at the time. We allowed our wheelchair neighbors behind us to use our driveway behind us. We also allowed blacktop to go between their property and our property so that our wheelchair people could have access without going on the soft dirt. This still does need to be removed. The mailboxes were placed on our property. And although I know this couldn't be foreseen, our property was used for people who didn't have access to Pine Street and Ash Street. The neighbors then were using our lot for their parking, which it did cause problems for the families that we serve to have parking there. At the end of the project, the landscaping, or I feel lack thereof, leaves a lot to be desired. There was no preparation, no topsoil put down, just grass seed basically was thrown out. I do have a photo that there was a hill that was grass seed, but in this rain nothing, you know, was prepared, but in the rain it ran all of the grass seed down. Actually the Allens are the ones who wrote concern on that, so someone did come out and put down some bark dust, which now we've got grass growing through the bark dust. We've already put in man-hours to try to clean this up. Again, we're happy that this is done. We're glad that the road improvements -- it's upgrading our neighborhood, we're close to the transit system, but in conclusion we just felt that some of the promises were not kept and the quality of the work was not what we felt it should be.

**Katz:** Ok, thank you.

**Phelps:** Thank you.

**Katz:** Anybody else? All right, Andrew, you've got some horrific pictures and unhappy campers.

**Aebi:** Thank you, Mayor.

**June 9, 2004**

**Katz:** Can you shed some light on this?

**Aebi:** First of all, the pictures you saw of ash street are directly adjacent to mr. Allen's property. So he significantly benefited from this improvement. A couple of things. One is I value all the feedback from all property owners, and one of the things the l.i.d. program does is we view all this feedback and have a postmortem at the end of a project to figure out how to do better next time. I'll be reviewing these in detail. Having said that, we met with mr. Allen at the property owner meeting to review the preliminary design. We showed him all the plans, he reviewed them, he told us he was fine with us removing the trees. We built the project according to plans. And the project was built according to the plans, and the retaining wall of which he speaks has been inspected, not only by the office of transportation, but also the bureau of development services. And both bureaus feel that this retaining wall is fine. So i'm not sure what more we can do. I sent mr. Allen a six-page letter back in april responding in detail to all of the complaints that he raised, and I haven't gotten any feedback, contradicting anything in my response to him. Though i've endeavored to work through these issues, it's normal to have punch list items. Some of these issues were raised prior to completion of construction, and we've been working conscientiously and diligently with the contractor to resolve all the issues. Thank you.

**Leonard:** Well, if I could, could you meet with mr. Allen after this hearing and talk about the pipe that's currently an issue and go over all the issues of the retaining wall with him and the other concerns?

**Aebi:** We can do that, commissioner, but I think a good starting point is to work off of the response that we've provided and --

**Leonard:** That's not what i'm asking you. I'm asking if you'll meet with him and talk with him and listen to those issues and see if you guys can't come to some closure on that. I think one of the problems is, when people start responding back and forth with letters, misunderstandings occur. Maybe just sit down with him, ask him what the issues are, look at them, or have somebody look at them. If they can be addressed, that would be great.

**Aebi:** Commissioner, we have met with him once already.

**Leonard:** I'm asking you to meet him again today.

**Aebi:** Yeah, we'll meet with him.

**Saltzman:** There were issues, I didn't hear what her business was, but she had concerns too.

**Aebi:** It's a funeral and cremation service.

**Saltzman:** Does she have outstanding issues or she was just concerned about some of the impacts during the construction?

**Aebi:** Well, I think it's probably best if ms. Phelps speak for herself, but i'm aware of impacts that happened during construction. Construction is behind us now and we will endeavor to try to figure out ways to make the impact less inconvenient on future projects.

**Saltzman:** They did some grass seeding that washed away, and now it's bark dust.

**Aebi:** We've been following up with the contractor on that. I might also add, there's a two-year warranty and establishment period. If there's any issue in the next two years, the contractor is obligated to deal with it.

**Katz:** Further questions? I need a motion to place an emergency on this.

**Saltzman:** So moved.

**Francesconi:** Second.

**Katz:** Roll call.

**Francesconi:** Again, thanks for your work on this. This is -- and we really appreciate housing, community development, and the water bureau for helping out, because this is an example, again, where street improvement can help build housing, but improve the quality in the whole area, and increase property values for you folks. The problem is in the past -- well, the problem is, unless we

**June 9, 2004**

can get some subsidies from other places it would have cost you a whopping amount to do this, and the property owners. So transportation and andrew are very creative about trying to find subsidies in a way to lower the cost for the property values, but also advance the cause of housing, for example, in this case. So this is an approach that we have to figure out a way over time to do citywide, but in the meantime doing it peace meal in circumstances that benefit property owners and help develop the city is a terrific thing you're doing. Aye.

**Leonard:** Aye.

**Saltzman:** Aye.

**Sten:** Aye.

**Katz:** Mayor votes aye. [gavel pounded] ok, thank you. 632.

**Item 632.**

**Katz:** All right. If you all remember, this should be familiar to the council. We talked about retaining businesses here in the area, and assisting the expansion of businesses. This is one where we're talking about retention and creation of 400 family wage jobs. This is the pet hospital's proposal, banfield pet hospital's proposal, and our proposal to expand the northeast enterprise zone boundary to accommodate this development and to provide some economic benefits for the kind of investment -- my notes say \$22, but I think it's probably \$22 million of investment. So we're very excited about banfield's new headquarters here in the city of Portland. And as I said, the e zone will provide an extra economic incentive. We don't have many tools, ladies and gentlemen, but this is one of the tools where it works and fits and makes sense, is one we need to use. So mr. Alexander.

**Bob Alexander, Acting Director of Economic Development, Portland Development**

**Commission (PDC):** Thank you, mayor, council. I'm bob alexander, acting director of economic development and p.d.c. I'm joined today by dr. Scott campbell and colin sears of our staff. We're here to ask you to support the expansion of the enterprise zone boundary. This boundary amendment then would go before the Oregon economic community development department for final approval. If approved, it would include the proposed national headquarters building for banfield, the pet hop, the international veterinary practice, which dr. Campbell will talk about. This includes an expansion of 10 blocks east of the current zone boundaries, and I might just point these out on the map. Now that it's right side up, it's easier to see, but it's in this section right here is the boundary we're talking about. You can see that the boundary is indicated in white here on the map.

**Leonard:** That's the former grade school at the bottom of --

**Katz:** Yes.

**Alexander:** The former grade school, right. Prior to looking at this site for the headquarters location, banfield, a Portland-based company was seriously considering relocating their headquarters to st. Louis, missouri. and we've been working with them for approximately the last seven months. Dr. Campbell is the president of banfield, the pet hospital, and will provide an overview of their operation and then colin sears will talk more about the enterprise zone program itself. So dr. Campbell.

**Dr. Scott Campbell, Chief Executive Officer, Banfield Pet Hospitals:** Thanks. Your honor, council members, I really appreciate all the support we've gotten so far. I'm scott campbell, the c.e.o. of banfield pet hospitals, and have been -- i'm also a veterinarian, been practicing on 82nd and schuyler since 1985. Our practice was founded there in 1955, 49 years ago. 10 years ago we started expanding and now we're the largest veterinary practice in the -- actually the world, I guess. We have about 383 hospitals scattered over 42 states, two in the u.k., one opened there last weekend, and another one under construction in mexico city. Anyway, when we started expanding 10 years ago, our corporate office was right there across the street from the site we're talking about

June 9, 2004

now, but we outgrew that. In fact, going forward our corporate staff will expand at about 50 people per year. Today we have about 250 on a site on Glen Whiting Drive, and as was indicated as a national practice, with distribution around the United States, one of the things that we're being pushed to do was really look at other opportunities to decrease our transportation costs, but we bring all of our veterinarians and hospital directors right here in Portland to educate them about how to run veterinary hospitals. And currently, you know, of those 250 people, a lot of them live right here in this neighborhood. And so we were very excited to find a site with the mayor's help and everybody's help. And also excited that the site gave us the opportunity to really embrace our customers and a need to the city to have a dog park. So we're putting in a really state-of-the-art two-acre dog park there, and with lavatory facilities and parking off street, the whole thing. We've also been able to make the facility really fit into the neighborhood with red brick, just like the old Glen Haven had, underground parking, so that a lot of the cars won't be able to be seen by the neighborhood. And then it's about 150,000-square-foot office building. As I said, starting with about 250 team members, and then expanding by about 50 a year. The other thing that's very, very exciting for us is currently, where we are, it's very difficult for our team members and even the people we bring in from out of town, to use mass transit. This site will certainly let us do that. We also have people that live on the other side of town, and it's a long commute, and they're excited to be able to ride mass across town. Also when people come in from out of town, we have about 50 a week that we bring in from around the United States. Those people can get on mass and ride to the new location. So really appreciate your support on this. I think it's a great thing for our business. And veterinary medicine around the United States.

\*\*\*\*\*: Thank you. I'm going to spend a few minutes --

**Katz:** Identify yourself.

**Colin Sears, PDC:** Colin Sears, p.d.c. I manage the enterprise zone program for the city. I'm going to take just a few moments to outline some of the benefits of this project on Portland's economy. The company investment will total \$22 million. With this we're going to retain 250 jobs currently here. There will be a growth of at least 150 jobs, and it sounds like that's going to be significantly higher based upon Banfield's projections. The construction of this project will create at least \$13 million in construction wages. Minority women and emerging small business expenditures will exceed \$217,000, and Banfield is shooting to go much higher on that end. Procurement opportunities with the local community as required through the enterprise end agreement will exceed \$2 million per year, growing at a rate of 5% or more over the life of that abatement.

**Francesconi:** Remind us where that money goes.

**Sears:** That money is spent with local businesses. The procurement plan are their expenditures within the enterprise zone, within the north/northeast community. So with local businesses there. Their title exemption will be \$1 million over the five-year period. So that's about \$200,000 per year over the five-year tax abatement. The combined financial impacts to the region, we've done an analysis using economic multipliers, and over 10 years that will be \$336 million so it's a significant impact to our economy. The direct impact to north/northeast Portland over that abatement period will be over \$11 million. That's not including construction wages, so forth, jobs for the residents. In summary, this project will have a significant impact on our economy, retaining this headquarters here. I'd also like to point out that we have strong support from the north/northeast economic development alliance of this project. Banfield and p.d.c. Staff met with the jobs and work force development subcommittees, and business development subcommittees of this group, and they're very supportive of this boundary expansion and of this project. I'd like to turn it back to Bob Alexander.

**Katz:** Bob?

**June 9, 2004**

**Alexander:** Just in conclusion, the resolution before you seeks approval to expand the boundary to include this additional location. In support of this resolution, banfield will enter into the model contract, which was agreed upon by council in 2000, and there will also be entering into a first source agreement with work systems, inc.

**Katz:** Questions by the council?

**Saltzman:** This is a great project. My question is, is it subject to p.d.c.'s green building policy because of the million dollar tax exemption?

**Alexander:** No, it would not be subject to that.

**Saltzman:** And what's the reasoning?

**Alexander:** The amount of the public benefit that we had adjusted that so I believe in this case that it would not fall under the green building requirement, p.d.c.'s policy adopted. I'll be happy to check that, though, commissioner.

**Saltzman:** Dr. Campbell, are you familiar with green building standards, things like that?

**Campbell:** No.

**Saltzman:** Do you have an interest perhaps in energy efficiency and daylighting opportunities, other things that would --

**Campbell:** The building is being built to be very, very friendly for our team members, and so we're building in a lot of high efficiency heating and cooling systems, plus opening operable windows, and -- and then lighting that decreases the light -- the electrical usage of the light, so that the skylights -- I can't remember the term, but they've got reflectors on the windows that bounce off the ceiling.

**Saltzman:** Right.

**Campbell:** So a lot of things to reduce the electrical use salvage there.

**Saltzman:** It sounds like you're doing a lot of the things that go into green buildings. I just believe that we have a city policy and p.d.c. has a similar policy that says if there's any public money invested in a project it must meet a national standard and be certified to that effect. That's why I was asking bob about that policy application in this instance.

**Alexander:** Commissioner, in this case there's actually no p.d.c. dollars going directly into it. This is an exemption. As you remember, we carefully balanced a couple of requirements when the enterprise zone policy was passed. House-benefit ratios with a number of other issues, including the local purchasing requirements, transit, child care, etc. All of those kinds of issues were balanced at the point that the enterprise zone contract came before you. A green building policy was for p.d.c. And money that was directly spent from urban renewal districts on projects, and it was not meant originally to cover anything related to the enterprise zone.

**Saltzman:** Ok. Well, i'd appreciate some more checking on that.

**Alexander:** Be happy to.

**Saltzman:** I guess where do you draw the line on what constitutes a public investment? I think an exemption of property taxes constitutes sort of a reverse public investment of sorts, but nevertheless this is a great project and we're glad you're doing this.

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

**Francesconi:** I just wanted to follow up on this point, not on the green building point, but I remember the conversation very well with the council in 2000 that you reference here, in december of 2000, because we put a lot more teeth in this -- in the agreement to the point where we were to the edge of -- we wanted to use tax abatements in rare circumstances, not across the board. In rare circumstances like this one, where there's going to be a tremendous public benefit in terms of more taxes that we wouldn't get had you not decided to locate your corporate headquarters here.

**Campbell:** Right.

**June 9, 2004**

**Francesconi:** As an aside, this is a lot better place to live than st. Louis, so your employees are going to be a lot happier, which i'm sure was a factor in your decision.

**Campbell:** My shareholders won't be, though.

**Francesconi:** Yeah. And you have to make both happy to succeed. But the whole issue of -- and it sounds like if you don't do what you say you're going to do, and meet the objectives that are laid out here, there's clawback provisions, which means you have to pay the property taxes. And by your answer to my question, you understand that, that you have obligations under this as well.

**Campbell:** Absolutely.

**Francesconi:** Ok, thanks.

**Leonard:** My question was more basic. For those who haven't been involved in a lot of those at the local level, what does the enterprise zone qualify one for, the designation?

**Alexander:** The exemption is for five years of property tax exemption on any new investment that goes into the zone, either in buildings or equipment. It does not include the cost of the land or any existing property tax being paid on the site. So the five-year exemption on property tax.

**Leonard:** And they don't pay that incremental extra to a local urban renewal district or anything? Its just they save that --

**Alexander:** They save the tax.

**Leonard:** Does the state partner on enterprise zones and do anything in terms of income tax credits?

**Alexander:** Not in this case. They do have -- for the urban area. There's nonurban zones which they are now have passed an ordinance, which allows them to exempt income tax, but it doesn't apply to the urban area --

**Katz:** Say that again.

**Alexander:** The --

**Leonard:** I actually carried that, the -- I think it passed in 1985.

**Alexander:** The state allows certain income tax exemptions, excise tax exemptions, for nonurban areas, if you're in the enterprise zone. There's 50 enterprise zones throughout the state.

**Leonard:** We passed it to get new core steel hopefully to coos bay, and they ended up not coming, but we use it all over the state. I think it's good and powerful. As I recall somewhere in eastern Oregon we used it to bring a telephone exchange.

**Katz:** Yeah, I remember that.

**Alexander:** And we do have a variation of that called the e-commerce zone, a combination of property tax, and there's an income tax component of that. Colin, do you know the percentage on that?

**Sears:** Yeah. The percentage for the e-commerce companies, they receive a 25% state income tax credit on their e-commerce investment, so that would be servers, software --

**Leonard:** But this enterprise zone is not related to either of those? This is our own separate creature?

**Alexander:** E-commerce zone and the enterprise zone are the same boundaries. So if an e-commerce company anywhere within this boundary were to qualify, they would qualify for those requirements.

**Katz:** Let me raise the issue. I didn't know that on the income tax. We might want to go down to the legislature, since that's the authority that provides the ability for at least partial exemption --

**Leonard:** Uh-huh.

**Katz:** -- and ask for equal status when unemployment rates in an urban area are as -- are setting a level.

**Leonard:** Great idea.

**Katz:** Because we're basically then very much in the same position.



**June 9, 2004**

**Leonard:** Great idea.

**Katz:** Let's remember that when we put our legislative package together. Thanks. I learned something today. That's good. Ok. Anybody else want to testify? Ok, thank you. Let me just add also that we have what we call sdot which is a group of agencies -- bureaus rather in the city that work with a client. In this particular case it was the banfield pet hospital to see what we can do to assist them. They were very helpful. But it wouldn't have been -- we haven't would be able to do this without your cooperation.

**Campbell:** You've been very helpful.

**Katz:** Thank you again. All right. Nobody else wants to testify? Then this is a resolution. Roll call.

**Francesconi:** Well, in that regard I think it -- as the mayor is probably going to do during her remarks, we should acknowledge sam adams and the work he's done. Not only through the sdot process, but through the whole thing. It's terrific having you here. We need more corporate headquarters here. I was going to ask you, doctor, as the key to having my support, was whether your hospital could do a brain transplant on our beagle, but I decided not to do that. [laughter]

**Leonard:** You're stuck with him as he is.

**Francesconi:** It's probably the owner. We appreciate you being here. I didn't realize, I knew that you were -- had a terrific organization. I didn't realize it was the largest veterinary hospital in the -- company in the world. So it is a privilege to have you in our community. And it's also important that you be a good corporate citizen, which you've been, which part of the reason why we need more corporate leaders here and corporate headquarters here. We look forward to you helping us in a broader capacity, but in the meantime, in the rare circumstances when we use property tax abatements, this is it, where we'll supply local purchasers, have good jobs here, corporate headquarters here, we're going to generate more tax revenue by having you here that can be used for police, fire, parks and other things.

**Katz:** And the doggie park.

**Francesconi:** Thank you. Which is terrific. This is cautiously optimistic, that we're now moving in the right direction, but we do need more offleash areas that are purely designated for dogs, as we're now beefing up the enforcement side. So we really appreciate you doing this. It's something that we in parks can learn from about how we should be doing it more effectively. So we really appreciate that very much, too. So there's another example of you being another terrific corporate citizen, helping us solve difficult problems. Aye oh, and thanks to p.d.c. P.d.c. deserves a lot of credit here, a lot of credit. And you're doing -- we still have some other things to do, but you're making a lot of progress on checking off some things. You deserve a lot of credit here for being selective in who we target for property tax abatements, but coming through and delivering on it. You're doing a variety of other good things, too that should be acknowledge. I actually remember our tense conversation, bob, that you and I had on strengthening the enterprise requirements, which I think were the right thing to do, and i'm glad that we did them and here's an example where I think the public really benefits. Aye.

**Leonard:** Well, rosy and our family are happier moving out, rosie is our 135-pound boxer-sheperd, approaching middle age. We're really happy you're out there convenient to us. This is excellent and exciting. Aye.

**Saltzman:** As I said, we really appreciate this investment, staying in Portland where your roots are. Very close to your roots. This dog park is just fantastic. And perhaps, bob, we need to revisit our model contract on enterprise zones to require dog parks. Private dog parks as part of the deal, too. I think this is a great precedent. As commissioner Francesconi said, we need more offleash areas, and this sounds like a great opportunity for people to live in northeast and southeast Portland. I'm

**June 9, 2004**

sure they'll be taking advantage of it and probably become loyal, loyal clients as well. So good move. Aye.

**Sten:** Well, doctor, it's been said, but thank you for your vote of confidence in the city. I'm sure we have more dogs per capita than anywhere else, that you could locate. That's probably a good piece, too. It isn't easy right now for lots of good reasons and some bureaucratic ones to do anything to build incentives and others. I want to thank the team for coming up with a smart package and it's a pleasure to vote aye.

**Katz:** I think it's all been said, but I want to thank sam adams who worked on this closely with the key stakeholders. For those of you who don't know mr. Alexander, he looks so stuffy, such a straight face, but let me tell you a little bit about him. This is a man that, if there is a problem, and you look him straight in the eye and say "solve it," he will do it. Assuming there aren't, you know, huge barriers that nobody could overcome. So thank you for your work.

**Alexander:** You're welcome.

**Katz:** Ok. Aye. [gavel pounded] 633.

**Item 633.**

**Katz:** I asked andy to be a member of the design commission. He is -- well, why don't you tell them who you are and what you've done and what's important to you in terms of the design, because I think some of the commissioners here would be very interested in hearing that.

**Andrew Jansky:** Ok. Mayor Katz, council members, i'm andrew jansky, and I've been engineer in town for the past 10 years and have done numerous city projects and have been in the background while you guys have the ribbon-cutting ceremonies. So I tend to focus on successful designs, low maintenance, and is one of the most important things, I think, with design is that it be simple. Simple design is not easy to create. In fact, it's the hardest to create a simple design. So as a council member, as a commissioner that's one thing i'm going to strive for, is that people understand that, that it takes a lot of work to come up with a simple design that's aesthetically appealing, functional, and works. I've been a native Portland resident for my whole life. So i've seen our struggle with water quality. I swam in the willamette as a small child and i'm still here today.

**Leonard:** Oh, my god.

**Jansky:** So the water's a lot better than it was back then. I've seen north macadam as shipyards with piles of steel going over the bridge, and seeing that change. Experienced the bus mall construction, first time. Light rail. I've watched neighborhoods transition from nothing to beautiful neighborhoods with new, nice buildings. Seen new parks. One of the things I think that is going to be the most important in the future is Portland's leadership in sustainable design. It's something that other people are watching us. We've recently hosted a green earth conference, and we're going to be hosting the u.s. Green building council international conference this fall, which is a big deal. Everyone's going to be watching us. The stuff we do in the future is going to be setting the standard. So that's one thing that I feel is very important, that we lead in. I think we're doing it. We've been doing it. We just need to continue to do it. So with that i'd just like to say that, you know, I really appreciate this opportunity, and look forward to serving.

**Katz:** Thank you.

**Francesconi:** Since you raised it, just one question. What can we do from here to assist you in the design in the community, to enhance sustainable design?

**Jansky:** I think we're going to be looking at how the design commission can try and integrate some of that sustainability into requirements to help people do it. What you can do, I think we need to talk about it. I haven't been on it very long, so i'm sure in a while i'll figure it out.

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

**Leonard:** How do feel about murals and signs?

**Katz:** That's enough, moving along, that's enough. On cars and trucks now too. [laughter]

**June 9, 2004**

**Saltzman:** I'm really glad that andy is coming on board. I know of his -- i've met with him before, and I know of his deep commitment to sustainable design, environmental restoration. He's yet another example of an engineer and beaverton high school graduate making a contribution to the city of Portland. So I look forward to your service here.

**Katz:** Thank you. One of the reasons I asked andy to join the design commission, first of all, even though he shared you with a long history, he's relatively young. I say relatively, but you are young, and his interest is a very broad one, but also very specific on how you marry urban form with the natural environment. And that's important since we half v focused on that as a city and as a council to have that continue on the design commission. So thank you. All right. Anybody else want to say nice things about andy? If not, roll call.

**Francesconi:** Terrific choice. Aye.

**Leonard:** Aye.

**Saltzman:** Aye.

**Sten:** I like your approach. Aye.

**Katz:** Mayor votes aye. [gavel pounding] all right, thanks, andy. Thank you for being here. 634 and 635.

**Item 634 and 635.**

**Leonard:** Before we get started, i'm sorry this happened late, i've prepared an amendment. What this does is requires that the bureau of planning begin a process that would draft specific regulations with respect to the installation of cell phone towers. Something that we've discussed here for some time, but that would include the office of cable, which has some very specific ideas, the bureau of development services, which has a lot of expertise, and the bureau of planning which needs to initiate this effort. So this in and of itself, this amendment, doesn't change anything other than to create the process to begin that would then go through the planning commission and to us.

**Katz:** Ok. I'll take that amendment in a few minutes. I just want to flag that. If the council is willing to do that, i'm going to have to sit down with b.d.s. and cable and the bureau of planning to identify, can they do that within their work program and whether there needs to be additional assistance. I don't know that yet. That will be on the agenda for next week with gil. We'll take this amendment after we hear where we are. We were going to separate the items today. Why don't you refresh our memory.

**Susan Hartnett, Bureau of Development Services:** Good morning. Susan harnett, bureau of development services. I believe karla will distribute those -- she's got more stuff. Last time, when I was here on may 20, you had in front of you code maintenance 2004 in two packages, part one and part two. You passed part two as an emergency ordinance and we're done with that piece. You asked me, however, to separate part one into two new pieces, which i've called part 1-a and part 1-b, and to bring forward the amendments related to the radio frequency transmission facilities in a separate package. I've labeled that part 1b and to bring that forward to you as an emergency ordinance. Your desire there was to make sure that the timing for the implementation of those changes, should you pass them, would not be significantly delayed, even though it's now been three weeks since your first hearing on that matter. The other thing that you asked me to do was to organize the information that you heard at the last hearing so that you had in front of you all of the testimony and amendments that came up on the 20th. So you've got in front of you two tables. One says part 1a and one says part 1b, and they both contain the amendments relative to that package of amendments. And there are blank spaces on both of them, so that we can add additional items if you choose to add them. The other thing that you have in front of you is a little -- just a short piece on information concerning building coverage for group living uses. One of the amendments that's in the package and one of the testifiers asked that that amendment be dropped. It has to do with building coverage for group living -- group living uses. And commissioner leonard specifically

**June 9, 2004**

asked about hawthorne gardens and how this amendment would have affected that case. I've cited that one. I've also cited another one, which came before the council on an unrelated matter. The building coverage issue didn't come up when you heard that case. It was a different issue that you were focused on, but I thought i'd include it since it was a slightly different circumstance. And then the last thing you should have, which I didn't make copies of, but I believe you all received from katherine beaumont, a memo with some information concerning the r.f. facilities and the hillsboro decision that got discussed at the last meeting, and you asked for more information on that. So the only other thing I need to mention is that as this is potentially a legislative decision for council to make, I have brought the legislative record for this project. It sits in the box over there in front of the city attorney if at any time you want to know something in the record, feel free to ask, and i'll pull it out.

**Katz:** Ok, stay there. Let's go through 1a, then. Why don't you review your memo to suspend to amanda's issue.

**Hartnett:** Ok. So the question that the amendment in front of you is to apply the institutional uses standard in the single dwelling zone to group living uses. And that came to our attention because the staff that does the land use reviews realized that almost every single one of the group living uses that she had been reviewing since the land division changed the building coverage limitations, the land division code rewrite two years ago changed building coverages. That was one of the things it addressed. In doing that it changed what was applied to group living uses in the single dwelling zones prior to the land division code rewrite it was 50%. It's now typically around 45%, but as you can see on this table, if you have a small site, it's significantly less than that. And what i've given you on this table is a site size, ranging from 5,000 to 100,000 square feet. And i've given you the pre2002 code, so what would have been in place before the land division code went into effect. What the current code allows. And what the recommended 50% coverage would allow. So, for example, for a 10,000-square-foot site, under the old code it was 45%, you would have been allowed 4500 square feet of building coverage. Under the new code it's 30%. The limitation decreases as the size of the site increases in the single family zone. So for a 10,000-square-foot site, you're down to 3,000 square feet of building coverage. The 50% rule we're proposing, which is what is consistent with institutional uses, takes them back to 5,000 square feet of building coverage. I've given you various scenarios there so you can see. I think the thing that's most significant is that as the site size increases in the single dwelling zones, the percentage of coverage that's allowed decreases. So group living uses will tend to be on somewhat larger sites. They'll tend to be on a 10,000-square-foot corner site rather than a -- you know, a mid block 5,000-square-foot in the single family zones. So they end up with this double whammy happening. I did talk to kathleen stokes, who handles most of these, and she did indicate that almost all of the group living uses she's dealt with in the last couple years have had to go through this additional adjustment review, in addition to going through a conditional use review. That's another piece that I think is key. These uses are conditional uses in the single dwelling zone, and they go through a conditional use in addition to this adjustment.

**Katz:** Go ahead. I just needed to know what randy wanted to do with this since he raised the issue.

**Saltzman:** This is what you're proposing, I mean planning staff?

**Hartnett:** Yes. Staff is proposing the 50% rule, which is -- which is the rule that applies to institutional uses. The modification that amanda fritz requested was that that be dropped, that you simply leave it with the existing single dwelling limitations for group living uses in the single living zones.

**Saltzman:** And this is not making it more onerous for group homes.

**June 9, 2004**

**Hartnett:** No, it's liberalizing it for group living uses. And it's not relieving them, they still have to talk about compatibility with the neighborhood.

**Saltzman:** Right.

**Katz:** Do I get a consensus of leaving this the way it came in from the planning staff?

**Leonard:** And the concern that has been addressed here is that the hawthorne garden site still would not have been allowed without --

**Hartnett:** Correct. At the levels they requested, they still would have had to have gone through the adjustment because they were seeking even more than 50%. Uh-huh.

**Katz:** Ok. The next one.

**Hartnett:** So we're working on the table part 1a, right?

**Katz:** Right.

**Hartnett:** So the first one was that 50% rule, so you are not accepting the modification that --

**Katz:** Correct. Leave it alone.

**Hartnett:** Ok. So then the other two are -- i'm sorry. The next one is something that came up from a number of the r.f. industry represents, but it relates to this package because it has to do with the minimum screening requirements. And as I explained last time, in the base zone there are screening requirements for mechanical equipment that is accessory to another use. So if you have a single-family home or you have an office building, and you have mechanical equipment that sits outside, you are required to screen it. For radio frequency transmission facilities, they're a use unto themselves, and there are separate standards that already apply. We do not apply the base zone mechanical screening standards, because we have a different set of standards. So these really don't apply. I think it's kind of apples and oranges to try and talk about them, but I did include it because it was something that was requested.

**Katz:** Yeah, I don't think the council is interested in it, but I may be I don't think. Is the council interested in this issue, or leave it the way it came from the planning commission? Ok, leave it. All right, let's go to the next one.

**Hartnett:** Ok. Then the last one was a staff amendment. This was an oversight on our part. In the process of writing code, it's sometimes been compared to sausage-making. In the process of making this particular sausage we left a little piece of meat out. It is an existing standard that in our fervor to get something in front of the planning commission it got dropped out. It was not the planning commission's intent to change this. We want to keep this exception. This basically says, for multi-dwelling household living uses, they don't have to meet this standard for every single building. So if you have a multi-building apartment complex, they only have to meet the pedestrian buildings for one building. Not every single building. It's an existing exception. We want to keep it. We'd like to see it put back in the code.

**Katz:** I need a motion to have that following text.

**Leonard:** So moved.

**Francesconi:** Second.

**Katz:** Any objections? Hearing none. [gavel pounded] so we've now taken care of part 1a and amended the last item.

**Hartnett:** Right.

**Katz:** All right.

**Hartnett:** Do you want to move on to 1b?

**Katz:** Let's go on to 1b, because we are amending 1b I need to know whether we'll involve public testimony.

**Hartnett:** I think the indication at the last hearing was since we've separated this into two new ordinances you should take testimony on both pieces.

**Katz:** That's what I thought. Let's take the first one.

**June 9, 2004**

**Hartnett:** Ok. The first one is the -- the requirement -- this is a new set of text we're proposing that requires documentation as to why a proposed facility, radio frequency transmission facility can't be located in the right-of-way. There's two sections of code texas where those appear. Those are noted in the left-hand column. This was probably the most significant of the issues that came before you last week. Do you want to go through all of these?

**Katz:** We'll vote on them after the testimony.

**Hartnett:** Ok, yeah. So the next one is a slightly different version of that -- the first request is to completely strike that language. The language that we're proposing says including documentation as to why the proposed facility can not be located in the right-of-way, the requested modification from ron fowler and lori lagerstedt was to remove that. The next one is from steven topp, he suggested not removing it but modifying it by adding to provide coverage and/or capacity service. The first modification from ron fowler and lori lagerstedt, staff does not support that modification. The second one, from steven top we don't feel that clarifies anything. We think it might make it more confusing. Again, we don't think that council should adopt that amendment. The next one is from commissioner leonard. And this was -- I was trying to make sure I was following, this so if I don't have it right, commissioner leonard, feel free to correct me. What I understood was that the -- the staff's proposal, which was to modify the commentary, to clarify the legislative intent, was going in the opposite direction of what commissioner leonard wanted. Staff was trying to essentially broaden the legislative intent to say there's a whole bunch of different reasons why you couldn't place it in right-of-way, and they include these various things. That's the next item on the next page, but commissioner leonard seemed to be wanting to say, no, I want to hear it tighter. I proposed two alternatives. One would be to actually amend the code language to say including documentation as to why the proposed facility cannot feasibly be located in right-of-way. So you're adding a feasibility test right in the code language. The other alternative would be, again, to leave the code language as we proposed it, but to modify the commentary to clarify your legislative intent, and there I would suggest documentation must explain why the facility cannot feasibly be placed in the right-of-way. Again, it's a feasibility test, but you're putting in it in the commentary, the legislative intent, as opposed to directly into the code regulation. On the next page is the staff proposal, which you heard about last time, and I mentioned just a minute ago, which is modify the commentary to essentially liberalize the interpretation. The last -- the next one is to clarify in chapter 33.274, that the regulations do not apply to r.f. facilities within the right-of-way. I think I explained last time, there is already a section in the zoning code that applies to the entire zoning code. This would be repetitious language. Staff doesn't support it. The last one is one I took the liberty of adding, even though you hadn't heard about it last time, the ordinance in front of you does not have an effective date. It needs to have an effective date, so I proposed that you amend it to include an effective date of june 18, which is the same date as the gateway planned district, so those will go into place the same time. Little efficiency there.

**Katz:** All right. Questions of susan on the alternative language? Commissioner leonard it was you, i, and I think somebody -- there was dan or eric -- also did not want it as broad as it was. The question is, do you want it -- the document itself or do you want it in code.

**Hartnett:** Right.

**Katz:** In the commentary of the document.

**Leonard:** My preference would be the code.

**Katz:** Ok, I would tend to lean with you on that one. We'll hear public testimony, so it will give everybody a chance to hear it.

**Hartnett:** Ok.

**Katz:** All right. And the rest -- we'll go over them after we hear the public testimony.

**Hartnett:** Ok.

June 9, 2004

**Katz:** Ok. Karla.

**Moore:** Nobody signed up.

**Katz:** Nobody's signed up. Ooh, that's not good. Come on up. Ask the question. We'll have the staff answer it. Come on up.

**John Putnam:** I live at 1216 northwest 25th. I was a former chairman of tri-met's committee on accessible transportation as well as a housing authority commissioner in and served as a housing authority hearings officer. I didn't understand the piece about -- I don't know if this is the right place, but you're going to leave out the access part to the other buildings. I mean, there's a tradeoff going on here between the access. Access is a very important piece. I might want to remind you that access is not always thought just because some people that live in a housing unit, whether it be a housing authority unit or developed unit, there can be people that live in those units outside of the housing authority that have disabilities that need access as well as they need to one building, they need to all the buildings. I'd like to have that clarified in this discussion.

**Katz:** We'll clarify it. Anybody else? All right.

**\*\*\*\*\*:** I'd like to say something.

**Katz:** Come on. You don't need to sign in.

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

**Katz:** But you do need to tell us who you are.

**Kent Seymore, Director of Engineering, AT&T Wireless:** Sure. I'm kent seymour, the director of engineering for at&t wireless. I thought i'd take this opportunity to talk to you folks about what my feelings are and about some of the things i've been seeing with the new code proposals. I drafted a quick little statement here. I can be more than happy to pass a copy to you if you'd like it. We had ron fowler address you all with a statement basically from us. I'd just like to take a few opportunity minutes here to talk about -- at least my interpretation of what I see as happening here. I'll just read what I have. I'm the director of engineering for at&t wireless, and i've done extensive communications in wireless designs for the city for over 15 years. As a professional communications systems planner, I find that the proposed code changes in sections 33.815.225 will severely impact all wireless carrier's ability to provide quality and reliable communications to our customers, many of which include the government and city employees. I go on to explain. Here's the revision -- here's the outline of what the code states here. 33.815.225, the section states that in addition to the criteria requires documentation as to why the facility cannot be placed in the right-of-way. This is consistent with the city council approved utilities franchise policy which seeks to encourage r.f. facilities to be placed in the right-of-way. My comment here is that the proposal is extremely limiting to the carriers, that which would hinder us to provide a good communications system to the community. It would limit designs to certain geographic areas, which may not provide adequate capacity relief or coverage to the community. This would be like forcing a surgeon to operate on a patient using a hacksaw. The result would be catastrophic. The same analogy can be applied to the wireless industry, ok? The next section states that, you know, the applicant must prove that a tower is only feasible -- is the only feasible way to provide service, including documentation as to why the proposed facility cannot be located in the right-of-way. I'm looking at this from my profession, trying to understand how am I going to prove to you folks that we need to put a site in a certain geographic area. How does the city propose to analyze a carrier's communication system in order to determine if a site will or will not work in the right-of-way? That's a question I have to the planners. Ok? What criteria must we use to prove that we need a tower in a certain geographic area? Does the city fully understand capacity propagation and radio system design in order to be objective in this ruling? The last little bit that I have is providing the 2,000 feet -- the applicant must prove that a tower is taller than the base zone height standard or is within 2,000 feet of another tower and the only feasible way to provide the service, including

**June 9, 2004**

documentation as to why the proposed facility cannot be located in right-of-way. Basically, you know, 2,000 feet is a moderately long distance in terms of wireless design. This is nearly half a mile. You know, i've lived in Portland all my life and know the terrain really well, as i'm sure all of you do. This makes design a real challenge. We've made great efforts to colocate on other carrier sites. Most of the carriers have colocation department, which specialize in working with each other to mitigate the proliferation of sites.

**Katz:** Your time is up. Thank you. I think we have the gist.

**Seymore:** Thank you. Do you have any questions for me?

**Katz:** Thank you. Let's respond to the questions we heard. Anybody else want to testify? All right. Let's deal with the clarification on 1a and the disability issue.

**Hartnett:** Yes. I'm happy to do that. Yeah, sometimes in trying to talk in shorthand about the code it does get lost in details. The requirement is not that they -- that the multiple building site does not have to provide pedestrian access from the walk to every building, it's just that they don't have to do it as the shortest straight line path. So that if you wanted to provide a short straight line path to the first building, and then more of a meandering path through went through a garden, or something like that, that's perfect acceptable. You still have to meet the pedestrian standard. This has to do with the shortest straight line path requirement. There's still a requirement for pedestrian access, it's just not quite astringent for a multiple building household living use.

**Katz:** Ok.

**Hartnett:** And if you have multiple entrances to that building, you don't have to provide the shortest straight line path to every entrance, only to one.

**Katz:** Got you.

**Hartnett:** Yeah.

**Katz:** Respond to the issue of what is it they're going to have to show and prove to us that they can't put it in the right-of-way.

**Hartnett:** Well, actually I might invite sylvia cate to come up and join me.

**Katz:** What are you going to use as the criteria is the question?

**Hartnett:** Had a whispered conversation there with the city attorney's office, and we're of the inclination that the best scenario here might be both the code amendment that commissioner leonard has indicated he's most interested in pursuing, adding the word "feasibility" in the code text, but also adopting something in the commentary along the lines that staff propose, something that gives staff the -- staff who's doing the future reviews, as well as the industry, a range of what those acceptable reasons why it's not in the right-of-way. And I think it's important that we specifically include not having a signed agreement, because otherwise I think you are potentially sort of narrowing them in too much. Not all of the providers are going to be able to sign that agreement. So --

**Leonard:** And I would -- I don't know this following idea needs to be in the code, or we can have an administrative rule or an internal policy, but one of the concerns I have is that with respect to the engineer's report that we get on the placement of a tower cell, the applying company hires their own engineer and gives us that report. I'd like to see us have a system where we had one, two, or three engineers that contracted with the city and when an applicant wanted to place a tower somewhere, we be the one that actually have the work done, and the applicant then pay us to pay the engineer to break that kind of relationship.

**Katz:** Where were you when I needed you?

**Leonard:** I've always been here.

**Saltzman:** Sylvia and I had that conversation a couple of years back. Which is one of the reasons I recuse myself on these issues. I wanted to know who the name of heaven is the expert representing



**June 9, 2004**

the city. We didn't have one. So what you're recommending is dear to my heart. Now the cost issues, we need to think through that.

**Leonard:** It wouldn't be any more than it is now. We're breaking the relationship. Sylvia and I actually had this discussion recently. We've done much the same thing in the legislature in having audits of school district, breaking that relationship, have the secretary of state hire the auditor and the school district still pay for the auditor, but the person actually works for the secretary of state. I'm proposing the same work be done, the cost would be no different, it's that the person that's actually doing the work looks for us under contract to be reimbursed by the contractor. I think it gives us a much more objective look at what the questions are that you asked.

**Katz:** Sylvia, do you want to go back? This is deja vu.

**Sylvia Cate:** To get at what I think is the - - I'm sylvia kate by the way, senior planner and lead planner --

**Katz:** Sylvia grab the mike. We can't hear you.

**Cate:** I'm sorry, I'm sylvia cate, senior planner and lead planner for wireless facilities when they come through a land use review. Currently the existing code language and approval criteria, and I'll just read one, the applicant must prove that a tower is the only feasible way to provide the service. That's already existing today in the code. And our practice has been, in the past, when any of the service providers come forward with an application for a new tower, they also submit some fairly extensive engineering documentation demonstrating their signal coverage in the area. They often provide computer printouts, both tables and graphic pictures showing the signal strength, the holes in their network, and what particular levels of signal strength, penetration into buildings and coverage issues would be addressed by the new tower. The proposed code amendment simply broadens that approval criteria to request that they also include a discussion in all that documentation, include a discussion as to why this facility can't be located in a right-of-way. So I would respectfully disagree with some of the industry folks that this is not an enormous change in the approval criteria, it is essentially asking for the same level of documentation as before, but broaden the scope of that discussion.

**Leonard:** What would it take to get to the place that I was talking about?

**Cate:** Umm, you -- I would presume that that would be a little bit beyond the scope of a code maintenance package, where that would be a change in policy, which is beyond a code maintenance scope, but it would certainly be a reasonable discussion item to include in a future legislative project with --

**Leonard:** I guess I'm asking, is it in code now? Does something have to be amended in code?

**Hartnett:** I can't think of a situation, maybe you can, where we require an applicant to use essentially a city consultant. It would be setting up a new system where the city would have to have on retainer probably several engineers. You can't just say go to this engineer and only this engineer, that the applicant could choose from.

**Leonard:** Why couldn't we do that?

**Hartnett:** I'm not saying we couldn't do that. I'm just saying we don't have that in place title 33 in any of the land use application processes in title 33. We typically rely on the applicant to provide us the information that they need to provide us. If they need to hire an expert, that's up to them.

**Leonard:** But you understand the concern of doing it?

**Hartnett:** I do. I don't in any way think it's impossible to do. It would definitely require a change in code language.

**Leonard:** Could we, the three of us, sit down and talk about what we need to do?

**Hartnett:** Sure. I'm happy to do that. I don't see it as a particularly complicated piece of code work. It's a little complicated to do on the fly today.

**June 9, 2004**

**Leonard:** Understood, but let's sit down soon and discuss that.

**Hartnett:** Sure.

**Katz:** The council has time to think about it. I remember our conversation, I felt so frustrated. I was looking at it from a different perspective and I felt so frustrated because, though sylvia is good at what she does, she didn't have the technical expertise and there was nobody to turn to.

**Leonard:** Right.

**Katz:** So I like the idea. It needs a little bit of work. Go do it and then come back and see where the council's at.

**Leonard:** Ok, we'll to it.

**Katz:** Ok. So you answered the question, the issue that was raised by the gentleman who was here.

**Cate:** Yes, I hope so.

**Katz:** I hope so, too. I'm going back to 1a, everybody. Everybody still satisfied with the last amendment?

**Sten:** Yeah.

**Katz:** Ok full so we've adopted the amendment on 1a. Let's work through 1b now. All right, commissioner leonard, which one would you prefer?

**Leonard:** Well, what we heard was both, have it both in the ordinance and in the -- the --

**Hartnett:** In the commentary.

**Leonard:** In the commentary.

**Katz:** So it would be the modify -- it would be the third item, right?

**Hartnett:** Yeah. It would be the top half of the third item, modify the code text to add the word "feasibility," but it would also be the top item on the second page, the backside of that page, adding language to the commentary. If the language we're proposing isn't quite what you want, let's, you know, strike anything you don't want in there, or add anything we need. It's just to give some context to what -- what the council's intent is behind that feasibility test.

**Katz:** Ok. So I think we've satisfied -- we've tightened it a little bit so that the documentation needs -- needs to be there, and no wiggle room out. On the other hand, on the commentary you're identifying some of the possible criteria that you would use to accept the applicant's request to place the tower somewhere else. All right. What's the council feel about that?

**Leonard:** I like it.

**Katz:** Good? All right. Then let's vote on -- well, we'll adopt, then, the top of the third box, and we'll adopt on the other side the first box. That takes care of that issue, right?

**Hartnett:** Uh-huh.

**Katz:** Any objection?

**Hartnett:** I assume that means the first and second items, you're not adopting, just clarifying that.

**Katz:** Right.

**Hartnett:** Ok.

**Katz:** Any objections? Hearing none. [gavel pounding] council feel they want to add this new item? Staff says it's already stated in another part of the code. Anybody wants to add it, holler now. If not, we'll leave it as is and then amend the emergency clause to add an effective date of june 18. Any objection to adding the emergency clause and the effective date? [gavel pounding] ok. So we've --

**Hartnett:** You have commissioner leonard's proposal also to adopt the ordinance.

**Katz:** Oh, right. Right. It's right in front of me. All right.

**Leonard:** What I envision basically is, i've had -- david Olson has been working on this a lot. B.d.s. is very focused and interested on this. If we can get this language, I would get the four of us,

**June 9, 2004**

myself, office of cable and franchise, b.d.s., and whoever the planning person is, sit down, because I have specific thoughts about how to tighten this process up.

**Katz:** Ok. What's the council feel about this?

**Francesconi:** That's fine.

**Katz:** I need to look at the work plans to make sure that we give this a fair -- a fair time --

**Leonard:** And we'll be flexible with that.

**Katz:** Because it's important, and I know some of you are in overload. Maybe with three people from three bureaus we'll get the work done.

**Hartnett:** Do you want to hold the final decision on that until next week, then?

**Katz:** No. Aren't we putting in an emergency clause.

**Hartnett:** Yeah, about you have a delayed implementation until June 18.

**Katz:** What does the council feel?

**Leonard:** Do it.

**Katz:** Ok, let's just do it.

**Hartnett:** So we're adding this one as well.

**Katz:** We're adding this language. Any objections? Has everybody in the audience seen the language that we're adding?

**Hartnett:** I don't think it was --

**Katz:** It's not related.

**Hartnett:** Do you want me to read it into the record.

**Leonard:** Karla has it.

**Katz:** Why don't you read into the record.

**Hartnett:** We're going to amend the general findings to add an additional general finding that reads the changes being made to the radio frequency transmission facilities regulation as part of the code maintenance project are relatively limited. A more comprehensive review of these regulations would provide the opportunity to establish a citywide tower location policy, to develop effective colocation strategies by and between service providers that can reduce the proliferation of monopoles and create new development standards for monopoles that address their aesthetics and reduce their visual impacts. There would be an additional directive added also that would read, the bureau of planning shall initiate a legislative planning process and in collaboration with the office of cable communications and the bureau of development services will comprehensively examine the land use policies and zoning code regulations related to radio frequency transmission facilities. The council also directs the bureau of planning to develop proposals for changes to the policies and regulations, to present those policies to the Portland planning commission, and to bring forward their recommendation for consideration by city council.

**Katz:** Ok.

**Saltzman:** I'd maybe just suggest one -- hopefully a friendly amendment on the findings, rather than can reduce the proliferation of monopoles to may reduce the proliferation of monopoles. I mean, we don't know. We've heard compelling reasons why they can't colocate.

**Katz:** So it's --

**Saltzman:** Change the word from "can" to "may." any objections? Hearing none, so ordered. [gavel pounding] do you want -- the emergency clause on?

**Hartnett:** The emergency clause is already on there, it just a matter of adding the date. So the clause is there its just the date. And I actually have the revised ordinance but it doesn't include commissioner Leonard's language so if I get that to you this afternoon--

**Moore:** On the substitute?

**Hartnett:** Yeah substitute. Can they vote it now or do they have to have it in front of them?

**Moore:** Just for the emergency clause?

**June 9, 2004**

**Hartnett:** No. it would add the additional general finding and the directive.

**Moore:** We've amended that and you can give that to me later

**Hartnett:** I think we're fine on that.

**Moore:** I just need a motion on the substitute, though. Did we do that?

**Hartnett:** No, no.

**Moore:** Ok.

**Katz:** Ok. I need a motion on amending this section of title 33.

**Leonard:** So move.

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

**Saltzman:** Second.

**Katz:** Roll call.

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

**Katz:** Mayor votes aye. [gavel pounding]

**Hartnett:** He's asking which one you were just voting on? On part 1a or 1b?

**Katz:** I was voting than --

**Moore:** I took the roll call on the substitute ordinance as amended.

**Katz:** But 1a or 1b? The whole thing?

**Moore:** I did the whole thing.

**Katz:** She did the whole thing.

**Moore:** We had no objection to any of those amendments that went through.

**Katz:** Ok.

**Moore:** Ok, ben?

**Walters:** We had item 634 and 635 read, and so --

**Moore:** 624, yeah, i'm sorry. I just did the roll call on 624, substitute as amended.

**Katz:** 634.

**Walters:** This is the new numbers for today's reading are 634 and 635. So I was asking whether the vote was being taken on 634 or 635.

**Moore:** 634 substituted as amended.

**Walters:** Thank you. Because both had been read.

**Katz:** All right. I need -- right. I need a motion on 635, because that was amended as well.

**Leonard:** So move.

**Saltzman:** Second.

**Katz:** Roll call.

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

**Katz:** Mayor votes aye. [gavel pounding]

**Leonard:** Thank you very much.

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

**Katz:** I think we're on regular agenda. 665.

**Item 665.**

**Katz:** Ok. While you're setting it up, let me say a few things about this. We were asked by the Oregon natural resource council to endorse this legislation being introduced by senator ron wyden. And it's basically talking about the trails and the forests and the waters and endorsing the lewis and clark -- naming it of the lewis and clark mount hood wilderness proposal and support the federal wilderness protections for the remaining roadless areas in the mount hood national forest and the columbia river gorge. Go ahead.

**\*\*\*\*\*:** Good morning.

**Katz:** Good morning.

June 9, 2004

**Jay Ward, Conservation Director, Oregon Natural Resources Council:** My name is Jay Ward, the conservation director of the Oregon Natural Resources Council. We're a nonprofit organization whose 7,000 members are dedicated to protecting our state's land, air and waters so that Oregon remains a special place to live, work, and raise a family. With my presence today, I'm also speaking for the Oregon Wild Forest Coalition and its member organizations. Among them the Sierra Club, Audubon Society of Portland, Friends of the Columbia Gorge and the Oregon State Public Interest Research Group to name a few. Let me begin, Mayor Katz, by thanking you and the commissioners for addressing this resolution, which is an important step in managing some of the many challenges and opportunities facing Mount Hood and the Mount Hood National Forest. Before presenting some of the details of Senator Wyden's Lewis and Clark Mount Hood Wilderness proposal I'd like to offer you context to explain why this proposal deserves your support. Maybe I should start by explaining exactly what wilderness is. I think the section from the 1964 Wilderness Act sums it up quite nicely. Wilderness in contrast with those areas where man and his own works dominate the landscape is hereby recognized as an area where the earth and its community of life are untrammelled by man, where man himself is a visitor who does not remain. In Oregon 5,000,000 acres of wilderness quality forest remain threatened by road building, logging and other commercial development. Through the Oregon Wild Campaign, we seek permanent wilderness protection for these remaining wildlands. Our coalition also works to support restoration activities for public lands adjacent to core wilderness areas in order to heal damaged watersheds and recover threatened wildlife and provide a wide variety of ecosystem services to future generations of Oregonians. For the past 7 years the Oregon Wild Forest Coalition has been working to protect and defend Oregon's last wild forest by identifying large blocks of unlogged and unroaded wildlands, and introducing our fellow Oregonians to them. We've organized powerful constituencies to provide the necessary public support that legislative initiatives require. From the senate floor, this March 25, Senator Wyden announced a draft proposal for just such an initiative. To summarize the senator's draft proposal he is suggesting adding 160,553 acres of wilderness to the four current wilderness areas around Mount Hood. If you are interested in the geographic location of some, the first additions of the area surrounding the oldest Mount Hood wilderness, the mountain itself. This was designated during the 1964, the original Wilderness Act. These additions include popular recreation areas, Cathedral Old-Growth Forests, the historic Tilly Jane Trail and the rugged lava beds that were created during the Mount Hood eruptions, and much of the historic route that Oregon's pioneers used when they were settling our great state. The north and west of the mountain, Senator Wyden has proposed adding the view shed of the Columbia River Gorge to the current Mark O. Hatfield Wilderness. These areas are the spectacular hills along the gorge and show up as pink on the map in case the colors are a little ambiguous. These areas of spectacular hills along the gorge that we all marvel at from 184 and include perhaps the greatest concentration of waterfalls in all of North America. These are the lands that Lewis and Clark encountered and remarked upon 200 years ago and millions of Americans from across the country will visit during this bicentennial year. To the southwest of the mountain, Senator Wyden has proposed adding lands to the current Salmon Huckleberry Wilderness for their diverse wildlife and unique recreational qualities. These lands are home to over 220 wildlife species and lush meadows used by wildlife year-round. This particular wilderness proposal also includes Alder Creek, the source of drinking water for the city of Sandy, which has unanimously endorsed the senator's draft proposal. Over to the east are the proposed additions to the Badger Creek Wilderness, which provide a critical link between west side forests and east side ecosystem. The area is known for beautiful fall color and the best deer and elk hunting in the entire Mount Hood National Forest. In addition the senator has proposed adding four segments of rivers to the national wild and scenic river system. The scenic east fork of the Hood River, the Cenary Lava Beds of the middle fork of the Hood River, the historic and well fished Zigzag River, and lastly the diverse fish and wildlife habitat

**June 9, 2004**

of eagle creek. The question you may be asking yourself, is why wilderness? Why not some other designation or why propose additional designations at all? To answer those questions I'd like to point out that the mount hood national forest is the eighth most national forest in the country. Tens of thousands of visitors are Portlanders, but depending on where they travel in the forest they could run into some areas that have not been protected as wilderness, like these in the clackamas drainage. If you think it looks bad with snow on it, you should see it after it melts. Indeed while the mount hood national forest is often described as Portland's playground, it is so much more than that. It is for many americans the image that pops in their mind had they of Portland. The forests around mount hood provide fresh drinking water to millions of Oregonians, including the citizens of Portland, lake oswego, west linn, Oregon city and sandy. The mount hood national forest is one of 11 forests designated as a urban national forest. Its use will only increase over time and the forest services own document acknowledge that were not prepared for that eventuality. Wilderness is the single best solution for preserving the natural beauty of mount hood and preparing for its future. It will not only help the area meet expected recreational demand, it has the added benefit of preserving the natural landscapes the water resources, wildlife habitat and awe awe-inspiring scenery that make mount hood a true icon, not just for Portland, but for the state of Oregon as well. Without wilderness designation, even protected areas like the columbia gorge national scenic are exposed to the vagaries of political manipulation and administrative fiat. This past winter, the forest service as part of their management plan review, proposed allowing for the creation of more open spaces on federal forests in the columbia gorge. Imagine if you will at the summit of the most traveled and beloved paths in the entire state, larch mountain, lost lake and dog mountain. Instead of the lush interrupted forests of douglas fir, or gigantic western larch, this might be what you would see.

**Katz:** Your time is up. I'll give you a little bit more time.

**Ward:** Ok. I do a quick wrap-up, then. Supporters include, for this proposal, include the mount hood corridor community planning organization, the sandy river basin watershed council, timberline lodge, the sandy city council, national conservation organizations like the wilderness society, national wildlife federation, trout unlimited, and the conservation alliance. By the way the conservation alliance is the conservation arm of the outdoor industry association whose local members include nike, r.e.i., columbia sportswear and patagonia. Yet in spite of all the support, the congressional session is winding down and the prospect for it remains opaque. Therefore, on behalf of the coalition and the 43,000 oregonians who represent for the millions of americans who will traverse these lands during the lewis and clark bicentennial, for current and future citizens of portland who rely on mount hood for their recreational, spiritual and natural resources it provides, I urge you to adopt the resolution supporting wilderness designation for 160,000 acres of the mount hood national forest referenced on the map. Thank you very much.

**Katz:** Thank you. Questions? Thank you. Anybody else want to testify? You're all alone. Roll call.

**Francesconi:** Well, this is a terrific thing. I've actually had the privilege of talking to senator wyden about the bill and his efforts and how we can help locally to provide additional support. Obviously there's a direct link with the bull run and how we preserve it, but the larger issues of mount hood representing Portland, not to mention as you did the fact that all our citizens use it, is plenty of justification for this. Having this wilderness and expanding it an protecting it right next to us is kind of a symbol of who we were, who we are, and who we want to be. So thank you. Aye.

**Leonard:** This is more than an aesthetic discussion. What happens on that mountain ends up in our water tap. And there's nothing more important we can do than to protect that mountain from invasion of entrepreneurs or recreationalists. There's nothing more important in my opinion. I hope that congress acts on senator wyden's bill. Aye.

**June 9, 2004**

**Saltzman:** Well, I want to commend senator wyden for his leadership. This is great. I guess the forest service has recognized we are really an urban national forest, at least the mount hood forest is, and I think that increasingly recreation, protection of water supply, is taking more of a primary role than timber harvesting, and I think that's been recognized by many people, including the forest service. This seems to be the logical next step. We need to preserve as much of this treasure as we can. Aye.

**Sten:** Thank jay and the team for their work this is critical. It's not any easier to do this as the recreational issues become more and the logging compromises got to be worked out throughout the state, but this is not the place to do it. This is not the place to log. It is an urban forest, but i've gotten involved in this, and the city of sandy is on record, actually ahead of this council in taking its stance on this. I wouldn't want to imply that the value of this is just our drinking water, but this is something the whole state the whole nation treasures and the city council here is actually joining rural city councils in taking this actions that they've already done. I think senator wyden is on the right track. I hope that we can, with this resolution also make sure our city lobbyist and others are aware of the council support and can throw whatever help we can behind senator wyden. Aye.

**Katz:** Let me just add a slightly different perspective. I traveled through - following the lewis and clark trail in montana. I didn't go all the way to missouri. And coming to our geography, it was clear that people forgot who lewis and clark were. And I think it's going -- it's a wonderful tribute, as we celebrate the anniversary, to name this very, very precious piece of our geography, naming it the lewis and clark, and to remind everybody what their group went through to get to the pacific ocean. It's just incredible. And so this is a nice way to honor them on the Oregon side. Thank you. Aye. [gavel pounding] all right. 666.

**Item 666.**

**Saltzman:** Madame mayor, members of the council, I guess somebody needed to get the number 666. I guess it's me. Nevertheless, don't let that number detract from the quality of this important agreement in front of us. [laughter] one of the benefits of Oregon's electric restructuring laws was the provision of public purpose funds that support energy conservation, producing renewable energy of wind, solar, biogas and also low income weatherization services. Multnomah county, the local agency that receives these public purpose funds has asked our office of sustainable development to take the lead in designing a pilot program and administering funds targeted to apartment weatherization. O.s.d. was chosen because of our strong relationships with the multi-family housing community and administering funds targeted to apartment weatherization. And we have good practical working relationships with the county as well. The pilot project expects to reach between 100 and 150 units, and already the pilot project's first property has been identified, and that's the housing authority's rosenbaum plaza on southwest 12th and Washington. 76 units of affordable housing serving elderly and disabled citizens. Anthony roy is here from our office of sustainable development and mary lee is here from Multnomah county. I think they might have -- mary has been patiently waiting all morning. I know mary wants to say a few words.

**Katz:** Either one.

**Mary Lee:** Mary lee from Multnomah county. I want to talk about why this program is so important. In the last year we have been able to -- and the whole goal of this program -- is to improve the quality and stabilize our existing affordable housing stock. So I know you're very familiar with the deplorable conditions in many apartment buildings, and what we're doing here with a number of partners is going to the landlords and saying, if you will agree -- we will weatherize your apartment building, and this weatherization can include window replacement, refrigerator replacement, a number of things that add benefit and value to the apartment holder -- to the landlord, and in return we're requiring them to sign a 10-year agreement with us to keep those -- the majority of those apartment at affordable rental rates for low-income folks. So it's a win

**June 9, 2004**

situation for everyone. The landlord is getting something of value and we're preserving and increasing the quality of our existing affordable housing stock. And our long-standing relationship with the office of sustainability allows to get out and market this to a segment of the community that we don't have really good existing relationships with, which are he's landlords of these large multifamily apartment buildings. In the last year alone we've been able to address almost 200 units through this project and we're expecting to be able to double that in the coming year with the help of the office. We want to thank you for that partnership. It's bits very productive and this model is groundbreaking in terms of the way that we're trying to look the at the business interests and our self-interests from a number of different sectors that may on the face of it never have been thought of together in terms of this affordable housing issue.

**Katz:** Thank you.

\*\*\*\*\*: I'm just here who answer questions.

**Katz:** Questions? Anybody else want to testify? This passes on to second. All right, 667.

**Item 667.**

**Katz:** Linda, do you want to come up? Do you want to explain to the public what we're doing?

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

**Katz:** Identify yourself. Is this your first time?

\*\*\*\*\*: It might be, yes.

**Katz:** This is linda's first time.

**Sten:** In that case, I have lots of questions.

**Linda Meng, City Attorney:** I appreciate that. Linda meng, city attorney's office. This resolution was -- is directed to unfair labor practice claims that were filed in the course of the city's -- the interest arbitration between the city and the p.p.a. There are legal claims based on bargaining and the particularities of the statute and what's required. The city attorney's office recommended filing them awhile ago. At the time to protect the city's position and to give the city council options as the proceeding continued. At this point this resolution would have those withdrawn, and so that they would not any longer be pursued by our office.

**Katz:** Thank you. Stephanie, did you want to add anything?

\*\*\*\*\*: I don't have anything to add.

**Katz:** Questions by the council? Anybody else want to testify?

**Francesconi:** I have a question, but it's for robert.

**Katz:** Anybody else want to testify? Ok, thank you. Robert?

**Robert King, President, Portland Police Association:** Good morning. I'm robert king, president of the Portland police association.

**Francesconi:** First i'd like to congratulate you on behalf of your members for this victory for the police officers. The questions I have is -- is that i've read the whole decision, and there's just two areas that I wanted to ask you some questions about, because as you're aware this is going to cost, you know, the city significant resources, and some of the basis of the decision, one refers to community policing, and the arbitrator concluded one of the reasons, now there was data justifying adding the award as well, as to how our officer weren't being paid compared to others of comparable jurisdictions, other comparable jurisdiction, but it also used community policing, and that with fewer resources and fewer police officers were asking them to do more and stressing them more, but we're high school asking them to do community policing things that other jurisdictions aren't. So I guess my question to you is, this is now a basis of the decision. What can you do, as a union president and the union, to help advance community policing to make it less of a buzzword and more of a reality from day to day in terms of how we're accomplishing policing? That includes performance appraisals, job description, those kinds of issues, that are hard, but good management



June 9, 2004

practices. How can we advance community policing here in Portland from the working officer's perspective, from the union's perspective?

\*\*\*\*\*: Well --

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

**King:** Robert King, president of the Portland police association. I guess I'd first say thank you very much for dropping the ULPs. This is the conclusion of a very lengthy and costly and time-consuming process. We're actually very grateful to all of you that there is a conclusion to this. We think there's a real advantage. My answer to you, commissioner, we think there's a real advantage in having this matter that's been before us, that's taken up so much of our time and energy set aside, so that we can begin to focus and concentrate on the issues that are in front of us. And what I came here today to tell you is on the question of community policing and on a whole host of other issues that are before us, that are important to the council and to the community, that we are committed to being unconditionally constructive, and that we -- in fact, just yesterday I met with Bruce Prunk and Jim McDaniels, and while we recognize the award comments on the on call pay question, that we're continuing to have discussions about operationally how it will be best implemented for the effectiveness of the police bureau generally. But your specific question is on community policing, I recognize that. It has been a part of what we've been doing here in Portland for the last 10 years. Although some people have said that it is not, I think that it is unique in the country. Our officers, I think, are both committed to it, but it seems as if -- and maybe with -- that with Chief Kroeker here, that he brought an influence that was from outside of Portland. I think that played some role. Then with the Chief Foxworth being in the position that he's in, having grown up in the organization, now leading it, that there's an opportunity to bring more substance to not just community policing, but some of the other issues that we're facing. And I think that by moving this aside and breaking this logjam that it better positions us to be helpful with the police bureau to initiatives like community policing. I'm struggling to provide more specifics, but from a broader standpoint that's my commitment to you.

**Francesconi:** Well, I appreciate that. With the efforts being pushed aggressively by Commissioner Leonard to have more effective labor management participation from budget to practices, like community policing, I think there's also a process that will be set more in place to do this. But, you know, the reason I'm pushing on this, is I've had a lot of conversations with ride-along officers who have told me that, you know, they do -- they're doing beyond -- they're doing community policing. One was telling me about a burglary system that he set up, but there's no reward, there's no incentive, there's no recognition for going beyond the call of duty. So, you know, I'm interested in a way that officers are recognized and evaluated and rewarded, you know, for going -- doing the extra, but then those officers that are not doing it are also encouraged to do it. So there's a way to measure what's actually happening on the street. And I think that means some system of performance evaluation. Can you go there? Are you in favor of that as a union president?

**King:** Well, I guess what I'd say is -- I mean, the advantage that I see -- what I see happening is there are a series of dots that are out there that are now lining up in a way that will make it more possible for us to get better results more of the time. What I mean by that is I think you as a council have clarity about what it is you want to accomplish. As a result of this decision and discussions that I've been having with Yvonne DeKard, I think we've worked very hard to be clear and are committed to working collaboratively. I think that the chief is -- of course there was a recent shooting and other things over the last handful of months that have taken our energy and time away from focusing on accomplishing some of the goals we've set. But I guess what I think is, that there are a number of people and there are circumstances that give rise to a better chance at us getting more of the results that we like more of the time. And so there's an environment, I think, that would facilitate discussions about community policing or performance evaluations in a way that hasn't

**June 9, 2004**

been there in the past. That's what is -- that is what is encouraging me. And that's why I have, for issues like that, or other issues, an optimism about being successful together.

**Francesconi:** Ok. So I take it that you're open to talking, you're open to the idea of doing regular performance evaluations, but you have to know what the process is, you have to know what the criteria is, it's got to be fair, those kind of issues that you have to work out. And you think the environment to do it now is more set to do it. Is that a fair characterization?

**King:** One of the things we're looking at is establishing a use of force board. We're talking about changing the discipline directive, were talking about the revision of the general order 101010. As a cautionary note is, we're going under going a lot of significant change in the organization, and we should take each one of these right on its own and work it through to a conclusion that brings us a good result. And if -- if what you're saying you want performance evaluations to be on that list, then I think we should add it and we should have some discussions about it.

**Francesconi:** That's what i'm saying. That's well put. What you just said is well put, it has to be put in context of everything, but I want it on the list.

**King:** All right.

**Francesconi:** The other area -- and again i'm only asking this, because it's directly referred to in the arbitrator's decision.

**King:** Yes.

**Francesconi:** I'm not picking things out of the air. And that one was clearly a basis in my opinion in reading this as part of a justification for the award. This other one i'm less clear as to how important it was to the award. I was surprised to find it in here, but it's the whole issue of recruitment in general and diversity in particular. I'm looking at page 110, if anybody's interested. But there's a sentence here, both parties conceded that the recruit of african americans and hispanics is not now at desired levels. But this may not be entirely an economic issue. So I guess all i'm asking for you, and you and I have already had this conversation several times, and it's more for the public benefit, but we also, on the list, high on the list, needs to be the issue of how we're going to diversify the police force, especially for african americans and hispanics. And so are you working on that already? Because i've seen some initiatives from chief foxworth. Are you participating in that with Yvonne deckard, chief foxworth? Is that moving forward?

**King:** I think the first thing is, you know, that you're right, that the -- I was told by an officer that 25 years ago there were 45 african american officers on the police bureau and today I think there are 33. We've done a whole host of things in an effort over the last decade say to recruit minority officers, minority women officers. We've been more successful I think with women, less with hispanic, asian, african american officers. It's important to me personally to increase the diversity of our police bureau. I think it adds to our effectiveness. I know when I was a coach, marci jackson, harry jackson's sister was hired, and in working with her, she had a maturity and insight and perspective that went a long way to making her -- to making us as police more effective working in the african american community. I recognize now, as a result of a whole series of things, that the relationship I think in some ways between the police and the african american community is strained. Recruitment's one of the things that we keep talking about, but haven't accomplished any results on, or doesn't feel like we have anyway. With yvonne and derrick and the union committed to working together in some way on that, I think we can accomplish some results there. It just seems as if we either haven't gotten together in the way that we could or we don't have a plan that's been very effective or it hasn't been high enough up on the priority list. I know it has been for the fire bureau. I think that they've done -- they've set -- they've developed some specific structures that increased, right, and we haven't done anything like that, nor have we been engaged in thoughtful discussions about it.

**June 9, 2004**

**Francesconi:** The fire department put money into it during tough times they put 175,000 of extra dollars dedicated to it.

**King:** So it's important to us, it's important to me. You probably don't know this. I'm hispanic. I'm half -- my mother's hispanic. But I believe that the diversity of our work force is critical to us being effective as a bureau.

**Francesconi:** Can we see some kind of plan --

**Katz:** There is a plan.

**Francesconi:** Can we see something in 60 days?

**Katz:** Don't give me time lines, because we've got a lot of work to do.

**King:** Right.

**Katz:** The work that is now going on with the chief and the union members, officers, and the public is huge, but there is a plan that when the chief came on he wanted to ask yvonne to begin looking at what we needed to do to increase the diversity of our officers. And how do we test them and how do we review their background information and why so many wash out early on even before the hiring. And how do we get citizens to take a look at the hiring of these officers. All of that is being -- parts of it are already developed. And all of that is being focused now after this settlement with all of the other changes. So you will see a plan on how to do it. The whole issue is is there capacity out in the community to be able to do that kind of recruiting. I've seen a book about this -- Yvonne why don't you come on up.

**Francesconi:** Well mayor, me setting a date at 60 days given all your trying to do would not be appropriate. But having some date out there that's set, given the fact that there hasn't been progress on this needs to happen. So I don't need to set it at 60 days but somebody needs to set it and it needs to be set and it needs to be set soon. Is it 90 days? You pick. But a date needs to be set on this.

**Katz:** Lets find out what's being done already.

**\*\*\*\*\*:** we started --

**Katz:** Identify yourself.

**Yvonne Deckard:** Yvonne Deckard, director of bureau of human resources. BHR has been working fairly extensively with the chief and his staff on developing a recruitment strategy both short term and long term. And most of this has developed as we've gone through the interest arbitration and so a lot of this information will be shared with Robert and there's a component in there a call for integrating the union into the fiber of this plan. Because there's a call to have officers really intricately involved in the whole recruitment strategy. We have a recruitment coming up for police officers in august and so there's a short term piece of the plan that we will be going out and working with the various communities very strategically and getting applicants ready to participate in the recruitment that we have coming up in august. To try to fill some of the short term -- to address some of short term gaps that we have more immediately and there's a long term piece of the plan that calls for a long term strategy that were in the process of putting together. We're also looking at things such as training, cultural competency as far as down in Monmouth. And as far as ongoing training within the bureau, we are looking at background checks and how we train officers how officers are actually trained to digest that material and what goes into background checks. We are collecting information on best practices from other jurisdictions. We're trying to determine if there is some legislative changes that need to be that we need to pursue as far as how we do background checks we're finding that for a lot of jurisdictions they use polygraphs for example as part of their background checks the state of Oregon actually prohibits that. is that something we need to look at but all of this is part of a long term strategy that Robert and I have been talking quite extensively especially over the last 2 or 3 weeks about our commitment to working through these issues and him working with the bureau, him working with bhr, ppa working

June 9, 2004

with bhr to try and have a comprehensive approach and moving forward on the recruitment issue and on the diversity issue.

**Leonard:** I would tell you that one of the fundamental tenants of the success of the fire bureau's recruitment has been to include a whole group and class of people who had never been included until 1995 when we adopted that, who were people who didn't have college degrees, who didn't have fire science degrees, because the essence of the fire bureau's hiring system, we all recognized at the time, was to call out anybody who didn't have either a college degree or fire science degree. It's inherently unfair to people who are struggling to come up with the dollars to live, not to mention put themselves through college. So you have by definition excluded whichever economic class of people that is. And that program recognizes that. I suspect we would find in the police bureau that you're hiring excellent, well-educated young men and women. And I don't criticize that. But you are excluding a whole socioeconomic group of people when you in essence hire nobody but those who have college or college degrees. I suspect if we started looking at it, there are people that are --

**Katz:** We don't have that anymore.

**Deckard:** That's one of the things that two years ago we actually moved back from, commissioner Leonard, was a four-year degree requirement. We moved back because we felt that was having adverse impact, and we're better on having educational incentives --

**Leonard:** I'm not talking about a requirement. That's not what I'm talking about. What I'm talking about in fact when people go through the hiring process, the people that rise to the top in the who do the best in their oral exams, are the ones that sit down and say I have a law enforcement degree.

**Deckard:** Sure.

**Leonard:** What I'm suggesting to you is that by definition excludes a whole socioeconomic group of people. If your serious about hiring women and minorities, you have to recognize that phenomenon and then create a program by which you bring people in, whether it's a second track or however you want to call it that ignores those kinds of criteria and you look instead at character, you know, what's your proclivity to be a police officer. I suspect that in fire and police over the last generation we've excluded a whole bunch of good, hard-working people because they didn't go to college.

**Deckard:** Could be.

**Katz:** Further questions? Ok, thank you. Anybody else want to testify? All right, roll call.

**Francesconi:** Well, there's something else that I -- I don't want to go into great detail on this, but I've already had a private conversation with the city attorney Linda meng and Yvonne deckard, but I -- to say i'm not happy about this is an understatement. And as I met three times, not only separate from our executive session, which I won't comment on, but three times as this arbitration was proceeding, and every time I was assured, everything's going fine, everything's going fine, and I was -- and each time I was told of the importance of this unfair labor practice that now we're withdrawing, and everybody agreed should be withdrawn. So here we subject the city and police officers deserve more money. As was powerfully said in this arbitration. But during executive sessions and I'm not told about the pay discrepancies at a significant benchmark the city is also 2.7% behind its local labor market competitors. Then I'm told of how significant this u.l.p. Is, that we then turn around and decide we're going to drop because we're not going to prevail. It won't change the outcome and only prolong the process. So what i've requested from the city attorney and Yvonne deckard is -- and I understand you personally. I know how you can get different results than you expect. I mean, I know that. From handling cases throughout my life, but there's a difference in this case, in my view. What i've asked the city attorney is, I need to know what review is going to be done, that we lessen the chances of this happening again. And I don't mean that we

June 9, 2004

win, I mean that we prolong the process, and then lose completely, which has happened to me twice, it also happened when I was fire commissioner. So I want some review. And the review could conclude that nothing could have been done differently. That's fine. But I also want that from human resources on how we're handling these cases. And again, that review could conclude, everything's fine, and it was just nothing differently can be done. That's fine. But I want the review. And that i'm wrong in raising these. But I do want this reviewed for the sake of labor relations since the cost to the taxpayers, because now we're talking about \$22 million that come out of other essential services, and I don't know if it could have been done differently or not. That's why i'm asking for these reviews. In the meantime, let's go forward and officers are going to be compensated. Let's use this opportunity to create the goodwill, let's put some more meat and flesh on community policing with an evaluation process, let's diversify the bureau, and let's move on. Aye.

**Leonard:** Well, as i've said, there are solutions to the dilemma we find ourself in, and we have examples, great examples here in the city. Carl simpson at 9-1-1 leads what I consider to be at this point in time one of the premier labor management systems in the country. He's being asked now to go to other cities and tell them how he did it. He produced out there a collective bargaining agreement that -- that took effect before the existing one had expired using the labor management system. He's empowered frontline employees to make decisions. He was in yesterday. I said, carl, how are things at 9-1-1? I don't have to remind anybody here what it used to be like out there, particularly commissioner Saltzman. He said, randy, people are out on the floor whistling, telling jokes. It's a wonderful place. There are ways to get there. And there are specific steps you take to get there. And the good news is out of this, chief foxworth did come in with bruce konk and we sat and had a great -- over an hour conversation that -- I absolutely believed he took to heart and is committed to implementing at the police bureau, this kind of a system that gets to these -- these kinds of issues that blow up into these disputes that divides all of us. So I think there is some good news out of this. I'm heartened by some of the things i've heard of late. I know commissioner Sten's been working hard on labor management stuff, which I applaud. And i'm really -- I really think that we're on the path to a place where we provide services at the most efficient manner possible, because that's the point in all of this. It isn't to cave in to unions or to take power away from managers, it's to look at the citizens who view us as working for them and say to them, we are providing you the best service possible for the least amount of money possible. Aye.

**Saltzman:** Well, this is a costly award. And we have to reckon with that. We -- they won. I should say the police association won by the rules we all stipulated to, so they won fair and square. What most concerns me, though, is the diversion of health care coverage policies that the city is now compelled to go down. This is a fork in the road that I think is going to be a potentially precedent that is going to really work against all the efforts we need to control health care costs in the city, and indeed in any private sector company, any public sector across the country. Health insurance costs are going up 10%, 20% a year. We had the opportunity, and I still believe that every city employee should be on the same health care plan. It just makes sense. And to the extent that there's a different provision outlined in this award we will live with it. I've talked with robert king and leo payton and they've both assured me that, as I'm sure all the members are, as much aware of the problem and the dilemma as we all are, and that their efforts to control cost are going to be genuine as well. As I said, that is my only lingering concern, that we're setting up this diversion path, where we'll have city employees covered by one plan and city employees covered by different plan, that to my mind has less potential for cost containment down the road, but nevertheless I believe -- i've talked with the union heads, and I believe they're sincere in their effort to tackle this problem, tackle it as a city, as a family of employees. Aye.

**June 9, 2004**

**Sten:** A couple of thoughts. First I think we're right to drop the unfair labor practice, and I think -- I don't know if it's been clearly mentioned, that there were also filings against the city, the ideas that both sides are going to drop them and move forward. I think we need to do that. I believe you always get a better result if you can reach a compromise in a litigated situation. That's certainly the approach I took as fire commissioner and we were able to get there. In this case I don't think it's fair to say we just got bad advice from our attorneys or anything else. I mean, I think sometimes you have to -- you have to change these processes before we get this far. When we got in through the mediation, to be blunt, the police union had a health care proposal that I could not accept, and although the arbitrator accepted it, I think it's bad policy. Now we have a two-track health care system, and in the short-term it will serve the police members well, and that's why they pushed it, i'm not convinced it will serve them well in the long-term, because in the long term things that drive up the overall city's health care costs will ultimately bite everyone. So what I really take at its face is that the council made a series of decisions. The police union made a series of decisions, once it became into an arbitrary process, decisions made on both sides with their eyes open, and the arbitrator found in favor of the police union. I think the clear thing is we should implement that and that's why I support that, and I don't want to make any sense that I think -- I think people saw what was at stake. At this point I take very much some optimism and believe that the police union president, robert king, at his word, that we need to do is dig in and start working on the next set of contracts and make sure that we don't get to the point where it's an either/or proposition next time. And I don't think you get to an either/or proposition until both sides drive it there, and both sides did in this case. And it ultimately I think needs to -- it will serve us better to take a different approach next time around. That's why i'm supporting this. Aye.

**Katz:** Mayor votes aye. [gavel pounded] 668.

**Item 668.**

**Katz:** Ok. Anybody here want to talk to us about it?

**Rich Newlands:** Good morning. Rich newlands Portland office of transportation. I'm here to ask for council's approval to change the name of northeast clark road underneath the i-205 freeway to alderwood road. The reason, there have been two street improvement projects that have been completed recently that have significantly changed clark road's position and the surrounding street network such that it makes sense to change the name of the roadway. Prior to these projects, clark road, which is shown in red there, was a relatively unimproved small section of roadway underneath the freeway again. It only connected 105th avenue on the east with glass plant road on the west. The most significant project change that changed the position is the extension of alderwood road, the port did, to provide the new connector route to serve the Portland international center. So now that -- that whole roadway functions as more of a continuous complete roadway connection between 82nd avenue and airport way. The second project is the clark/holman project that the city of Portland and the p.d.c. completed just this year, it brings the street up to full city standards. Again now, given the two roadways together, you have one continuous section of alderwood that goes all the way to 105th avenue. Title 17 of the city code authorizes the city to change the name of streets if it eliminates confusion, for route finding, for the general public, and if there are no insignificant impacts to adjacent property owners. I believe we've covered the confusion issue by changing the name you should have a much more clarity about how to move around that section of Portland. And as far as the impacts to adjacent property owners, there really is none, in that the entire roadway section is within the i-205 right-of-way.

**Katz:** Thank you. Questions? Thank you. This passes on to second. 669.

**Item 669.**

**Katz:** Anybody to say anything? Anybody here to testify? Roll call.

**Francesconi:** I'm glad we settled this one. Aye.

**June 9, 2004**

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

**Katz:** Mayor votes aye. 670.

**Item 670.**

**Katz:** This is a hearing and an ordinance. Anybody want to say anything to us? All right. Passes on to second. [gavel pounding] we don't have any agenda items for today's afternoon session. We will have a pretty heavy session tomorrow, starting at 2:00. So we stand adjourned until 2:00 thursday. [gavel pounded]

At 12:18 p.m., Council recessed.

June 10, 2004

JUNE 10, 2004 2:00 PM

**Sten:** Good afternoon everyone, karla could you please call the role.  
[roll call]

**Sten:** the Mayor is going to be here for the time certain at 3:30 and I believe commissioner Saltzman is on his way and we'll get started on items 671 which is our 2:00 time certain.

**Item 671.**

**Sten:** We'll start with the staff presentation.

**\*\*\*\*\*:** Good afternoon, members of council.

**Frank Hudson, Office of the City Attorney:** Excuse me, I have to read the legal mumbo jumbo.

**Sten:** My apologies. Frank, could you read the legal --

**Hudson:** Good afternoon, everyone. Welcome to council chambers. I'm going to begin by explaining some of the rules of procedure for today's hearing which we're required to do by state law. Today's hearing is an on the record hearing. This means that you have to limit your testimony to material and issues in the record. That means during this hearing you can only talk about the issues, testimony, exhibits, and other evidence presented at the earlier hearing before the hearings officer. You can bring up anything new, -- you cannot bring up anything new. This hearing is designed only to decide if the hearings officer made the correct decision based on the evidence that was presented to him or her. If you start to talk about new issues or try to present new evidence today, you will be interrupted and reminded that you must limit your testimony to the record. The order of testimony will be as follows. We will begin with a staff report for approximately 10 minutes, following the staff report the city council will hear from interested persons in the following order. The appellant will go first and will have 10 minutes to present his or her case. Following the appellant, persons who support the appeal will get to testify. Each person will have three minutes to speak to the council. This three-minute time limit applies regardless of whether you are speaking for yourself or on behalf of an organization such as a business, association, or neighborhood association. The principal opponent, often the applicant, will have 15 minutes to address the city council and rebut the appellant's presentation. After the principal opponent, the council will hear from persons who oppose the appeal. If there's no principal opponent, the council will move directly to testimony from persons who oppose the appeal after supporters of the appeal conclude their testimony. Again, each person will have three minutes each, whether you are speaking for yourself or on behalf of an organization. Finally, the appellant will have five minutes to rebut the presentation of the opponents of the appeal. The council will then close the hearing and deliberate. After council has concluded its deliberations, the council will take a vote on the appeal. If the vote is a -- is a tentative vote the council will set a future date for the adoption of findings and a final vote on the appeal. If the council takes a final vote today, that will conclude the matter before council. If you wish to speak to the council on this matter and have not signed the list located outside of council chambers, please sign up at this time with the council clerk. Finally, I'd like to explain the scope of testimony that you can present today. First of all, as I stated at the beginning, this is an on the record hearing, so the evidentiary record is closed. This means you must limit your remarks to arguments based on the record compiled by the hearings officer. In presenting your argument, it is permissible to refer to evidence that was previously submitted to the hearings officer. It is not permissible to submit new evidence today that was not submitted to the hearings officer. The planning staff and I will be listening carefully to your argument and if it strays from the evidence or issues presented at the initial hearing, I may have to interrupt you and remind you that you must limit your argument to issues and evidence in the record. If your argument includes new evidence or issues the council will not consider it and will be object -- rejected in the city council's final decision. If you believe a person who addresses city council



**June 10, 2004**

today improperly presented new evidence or presented a legal argument that relies on evidence that is not in the record, you may object to that argument. The council will provide a time at the end of the hearing for anyone to offer this kind of objection. Finally, under state law, only issues which were raised before the hearings officer may be raised in this appeal to the city council. If you believe another person has raised issues today that were not raised before the hearings officer, you may object to the council's consideration of that issue. Again, the council will provide a time at the end of the hearing for anyone to offer an objection. Thank you for your attention.

**Sten:** Thank you.

**Mark Walhood, Staff, Bureau of Development Services:** Good afternoon, members of council, I'm mark, staff with the bureau of development services. We're here today for an on the record appeal of land use hearings officer's decision, case number lu 03-176954 cu ad. I do have the full record here with me today if anybody wants to see a specific exhibit. I have them here in chambers.

In summary, the applicant has proposed a wireless telecommunications tower at great equipment and landscaping on a site at 4729 southeast milwaukie avenue in the brooklyn neighborhood. The hearings officer reviewed testimony during and following the public hearing and approved the request with conditions. The brooklyn action corps has appealed the hearings officer's decision to council and today we'll -- council will uphold with modifications or changes or overturn the hearings officer's decision. The proposal required a conditional use review for what we call radio frequency transmission facility, the cell tower that includes a 100-foot tower, three flush-mounted antennas at the top of the tower, at-grade accessory equipment, fencing around the base of the tower and the equipment and landscaping. Both the tower and the equipment enclosures are south of the existing yummy garden restaurant on the site. There's landscaping proposed to the south and west of the restaurant. The project also required an adjustment to modify the 10- to 15-foot -- 10 feet around the equipment, 15 feet around the tower L3 landscaping, particularly on the east and north sides. The approval criteria are the standard conditional use approval criteria in the zoning code 815 section 225.d and the adjustment approval criteria. The zoning map identifies the site on the west side of milwaukie, properties on both side of milwaukie in the area are commercially zoned general commercial zone further east generally industrial zoning towards the brooklyn yards and industrial area immediately west of the site there's a small pocket of residential and then open space zoning over basically the oaks bottom wildlife area. The large site plan identifies with the bold line the existing restaurant building. There's parking to the north and south of the building off milwaukie. The cell tower and equipment area would go south and west of the building and parking lot as you see in this plan. There's an enlarged site plan on the west, you have the equipment enclosure on the east side, but west of the parking lot you have the tower enclosure with landscaping to the south and west. In the elevations you see the profile of the proposed tower. It's 100 feet to the top, the antennas are flush-mounted at the top. Conditions of approval require them to paint the tower a dull matt light gray. On the landscape plan you see the full landscaping proposal with exception of the trees at the bottom which are existing and off the site. There is a condition that requires the tower enclosure to move five feet to the west away from the parking lot, and be replaced with an additional five feet of landscaping basically between the base of the tower and the parking lot. I have a few pictures here. There's a large right of way on the south and west side of the site that's for mcloughlin highway 99. This is standing in that right of way down at about the grade of milwaukie -- mcloughlin looking up into the site. The tower would be just west around the left side of the billboard you see. This is another picture on the sidewalk on milwaukie to the south of the site. The tower would be located just on the right side of the back of the billboard that you see in the picture between there and the restaurant. The outlook for the neighborhood that may be discussed today and some of the testimony is just about to the west of where i'm standing off the sidewalk in milwaukie, and that would be in the right of way. It's just

**June 10, 2004**

another picture, you see the restaurant building in green, there's another sort shed or trash enclosure on this side of the restaurant where the equipment would be obscured behind that building from the sidewalk. This is another view identifying the utility poles in milwaukie avenue. I just brought in the text of the hearings officer's decision here. He approved the facility including the 100-foot monopole, the antennas, the equipment, fencing, and landscaping as well as the adjustment. Conditions of approval, there's a standard condition regarding identifying the land use case on your permit drawings. Condition b requiring the tower to be painted a dull matte light gray finish. Condition c required that the fencing around the base of the tower and the equipment enclosure when it's not directly against one of the buildings or obscured from view by the buildings, that it meet the f2 standard, which is 100% site object securing fence 6 feet tall. Then finally the last condition as I mentioned before, requires the tower to move 5 feet west with some additional landscaping between the base of the tower and the parking lot. Extensive testimony was raised before the hearings officer, and the hearings officer extended the record for a period of three weeks in total. Unlike a lot of cases, both sides, neighbors and applicant, were helpfully focused on the approval criteria and the hearings officer considerably extended his findings in three areas. I'll just go through these really quick. The first one is -- relates to the first conditional use criteria that requires that the proposal not significantly lessen the desired character and appearance of the area based on the other -- a number of other wireless facilities nearby. The applicant stated there are six other nearby towers that the facility would impact a scenic residential area. There would be impacts to future neighborhood improvements including the outlook I mentioned. The applicant included several narratives discussing their search ring for the facility. And explaining why location on the two other towers nearby was either infeasible or rejected and why they selected the site. The hearings officer generally agreed with the applicant and that although there were impacts to the surrounding area, that based on the zoning, the character of the site with the billboards, the commercial zoning, the utility poles and highway 99 nearby, that it would not significantly lessen the desired character. The second big issue had to do with public benefits of the use outweighing any impacts which cannot be mitigated. The primary impacts of course are the visual impacts from the height of the tower. Neighbors oppose the facility based on these impacts, citing the proximity to nearby residential structures. I mentioned there's a cluster west of the site on both sides of long, also residential structures in the commercial zones nearby. The applicant discussed -- discussed the public benefits associated with improved wireless communications, these include benefits in terms of public safety, economic development, and services to residential customers. The hearings officer generally also agreed finding that the public benefits were considerable, and that to the extent possible, that impacts of the tower were mitigated by the design of the tower, the flush-mounted antennas, and the landscaping and other conditions of approval. The last issue has to do with the criteria, we refer to it as the tower sharing criterion. The applicant whenever proposing a new tower has to document that they've tried to go elsewhere basically within their area of service. The appellants submitted a map identifying six other nearby towers, and the applicant discussed those options only two or within their area where they were trying to provide service, and that they also identified three other sites in the neighborhood where they attempted to secure leases for a tower, but those sites were rejected. The test here is feasible, whether or not their attempts to locate elsewhere were feasible, and the hearings officer generally agreed that the colocation options were considered and that there weren't other suitably tall structures in the area for colocation. I think that's all I have. Again, today we're upholding the hearings officer's decision, or changing it or overturning the decision. I'll be here if anybody has questions.

**Sten:** Questions?

**Leonard:** I was just -- i'm sorry, you had a question? Go ahead.

**June 10, 2004**

**Saltzman:** The conditional use is not because of the c.g zone, but because it's within 50 feet of residents?

**Walhood:** Exactly.

**Saltzman:** And 2,000 feet is the --

**Walhood:** There's --

**Saltzman:** -- the ring --

**Walhood:** There's two triggers. One is it was within 2,000 feet of another tower, and within 50 feet of a residential zone. You have to do a conditional use if you're within 2,000 feet of a tower, so that would have triggered it, or within 50 feet, that also triggered it, of a residential zone.

**Leonard:** Question I had was the power pole next to the site on the street, how tall were they?

**Walhood:** I believe they're in the range of 60 to 80 feet. We didn't have an exact number. They're shorter than the proposed monopole.

**Leonard:** And I noticed in the discussion here just now that there was some analysis done of the site located at 17th and holgate. And that there are two towers there, one 80 feet and one 100 feet. And that the hearings officer found that the 80-foot height was not sufficient to colocate on 17th and holgate because of the shadows?

**Walhood:** Right.

**Leonard:** How high would it had to have been at 17th and holgate for it to be sufficiently high enough to work there? Do we have that information?

**Walhood:** In the findings, the hearings officer discusses the change in elevation between the towers on 17th and holgate are 60 feet lower than the site. So there's a 60-foot grade change if they want to go 100 feet above the yummy garden site. That would -- to have that same height on the tower at 17th and holgate they'd have to be at 100 feet plus 60 feet, 160 feet. So it would be 160-foot --

**Leonard:** I had done that math, and I guess what I was trying to get to, is there -- there's some analysis that maybe I need to get from the engineer or whoever is testifying for the applicant as to precisely why it had to be at 100 feet and not 80 feet or 60 feet, or above the yummy site, yummy garden site.

**Walhood:** I think the applicant is prepared to speak to those things.

**Leonard:** Ok. Thanks.

**Sten:** Any further questions? No? Ok. We'll hear from the applicant. How long?

**Hudson:** Excuse me, commissioner, one other thing. Can I get you to call for conflicts?

**Sten:** I'm sorry. Does the council have any ex parte contacts or conflicts of interest to declare? No. Thanks, frank. We'll take the applicant for how long?

**Hudson:** 10 minutes.

**Sten:** 10 minutes.

\*\*\*\*\*: [inaudible]

**Sten:** The appellant, i'm sorry. We'll have the appellant first for 10 minutes. We'll ask the principal appellant to come up. You'll have 10 minutes and anybody who would like to testify will have three minutes after that.

**Marie Phillippi, Brooklyn Neighborhood:** Good afternoon. My name is marie phillippi, I live at 4014 southeast 9th, 97202 in the brooklyn neighborhood. Members of the Portland city council, the brooklyn action corps, known as the b.a.c., is the neighborhood organization, whose boundaries surround the current proposal. The b.a.c. voted on april 14, 2004, to appeal the hearings officer's approval based on the following criteria. Number -- i'm going to give the first few. 33815, conditional use approval criteria for radio frequency transmission facilities. The hearings officer criteria number 1, based on the number and proximity of other facilities in the area, the proposal will not significantly lessen the desired character and appearance of the area. The board contends

**June 10, 2004**

that while a single cell tower may not in general affect a significant change in the neighborhood character, one placed at this location would do just that. This block is considered to be the southern gateway to the neighborhood. Ongoing efforts by city agencies and neighborhood advocates with the goal of neighborhood growth and revitalization propose an overlook to the willamette river next to the yummy garden restaurant. This was in the milwaukie action plan that was done three years ago. A cell tower equipment, fence, enclosures, particularly with limited landscape buffers would not only visually lessen the character at the location but would conflict with current revitalization goals. The area zoned for mixed commercial and residential, a cell phone tower has the look and feel of industrial. There would be a visual, number 2, there would be a visual as well as economic impact to the residential properties adjacent to the site. The area zoned cg and directly behind it r1. It is worthwhile to note that a large condominium is located directly across milwaukie avenue from the site. From the living areas of those residences, it will be possible not only to clearly see the tower, but the equipment inside the fenced enclosure. The proposal was not consistent, Number 3, not consistent with the neighborhood goals for the desired character of milwaukie avenue. Our main street. Nor is it consistent with milwaukie avenue's definition of a neighborhood collector street in the transportation system plan. The hearings officer states the predominant land use category, commercial, and the existence of the billboard and utility poles, will not significantly lessen the desired appearance of the area. The board feels that billboards can be easily removed if development happens there, or their impact lessened by buildings. A cell phone tower is likely to be forever, and its impact would never be lessened by any structure or landscaping. Criteria number 2 of the hearings officer, public benefits of the use outweigh any impacts which cannot be mitigated. The b.a.c. contends the public benefits do not outweigh the direct meaningful impact to the brooklyn neighborhood because of its highly visible location on a neighborhood main street and close proximity to apartments, homes, and pedestrian walkway. Developmental standards under 274. There are currently four cell phone sites within a half mile. These facilities are located within the industrial zone properties east of milwaukie avenue, as you saw. Considering the number of facilities already in place in the brooklyn neighborhood, the board feels that brooklyn has been unfairly targeted by cell phone companies because of its higher location and access to the west side of the river. The board feels that despite the charts provided by the applicant indicating increased service range along the mccloughlin corridor, the primary public benefit from a cell tower at this location would be to those users on the i-5 corridor west of the willamette river. Indeed, on the page labeled site search area information of exhibit 4 in the application file, the primary site objective is to provide traffic relief for terwilliger boulevard. Why does brooklyn have to take the hit? Adjustment approval criteria, 805. One of the main reasons why the board opposes the structure is for the very reason the applicant is applying for conditional use. To adjust the landscape buffer. There is not enough space on this site to adequately screen the tower and equipment from the site -- sidewalk. There is no amount of fencing or landscaping even using large trees that would be able to diminish the size and height of the tower and support equipment. Because of its close proximity to our friendly milwaukie avenue. Usually these towers are camouflaged by other buildings or in an industrial area. Though the brooklyn neighborhood has an extended industrial area farther east where other towers do exist, nowhere on milwaukie avenue in the brooklyn neighborhood can it be considered an industrial area. The size of the proposed monopole, which I won't go into, they already have. Given the location of the site, the monopole will appear to be an unsightly urban tree, similar in size to an old growth dead douglas fir. The board contends that considering possible alternatives this, is unacceptable. The tower setback standards were meant for industrial sites, not residential and commercial zones. In summary, residents and businesses have been working together to develop a strong neighborhood identity which you will hear about in a little bit. That celebrates brooklyn's historical character and small-

**June 10, 2004**

town feel. It was the opinion of the hearings officer that this tower would not impact this neighborhood. He does not live in this neighborhood, and neither does the property owner who is not even manager of the restaurant. This ruling will set precedence. Please note, this ruling will set precedence that big businesses like voicestream and property owners like mr. Chan can overrule residences, businesses and neighborhood associations, whose main goal is to preserve the livability of their neighborhoods. The board feels that something should be done that will protect other neighborhoods from this type of litigation. Neighborhood -- neighbors and businesses are concerned because it's not yet been proven positively that radio waves emitted are harmless. Especially at this close proximity. A fitting analogy would be that use of cell phones, while driving, have not been proven to cause accidents. It might be only a matter of time. Like the 1940's and 1950's, cigarettes were not considered to be hazard dozen to your health. The board would like to suggest that businesses that build structures like towers first come to neighborhood associations and ask for suggestions about feasible sites in their area. Perhaps money and time could be saved in neighborhoods as well. Finally, this is the second time in five years that we have had to fight these cell phone towers from impacting our livability. Some neighborhoods have resources that can protect them from development such as this. Last time it came up we did, we had a lawyer on the board. Unfortunately, brooklyn is very small and at this time does not have access to people who are in the know in order to defend themselves. It is up to our city officials to evaluate the findings and try to help associations preserve their communities. Thank you for considering our position, and please say no to the cell phone tower.

**Francesconi:** You're doing pretty well on your own without a lawyer on the board. Don't worry.

**Phillippi:** Well, I wish I was a lawyer.

**Francesconi:** No. Just -- there are advantages and disadvantages.

**Phillippi:** Ok.

**Francesconi:** But anyway. Just one question. About the southern gateway. Will you say a little more about the, quote, ongoing efforts by city agencies and neighborhood advocates? Can you tell me a little more about what city agencies and just what you're trying to do with this gateway?

**Phillippi:** Ok. The reach -- reach did a study, it was three-year, 11/2 years, did a whole study on milwaukie avenue, and there is a thick plan of it, it was not approved by city council yet, but we do have -- we made banners, a beautiful banner that reflects our historical character that's right there. It crosses mcloughlin, and at that point we wanted something different to let people know you're entering brooklyn neighborhood. And at that point, they had suggested an outlook place, which is the only place from brooklyn that you can see straight into downtown and oaks bottom. There's a beautiful outlook that could be fixed going out with a bench where people can realize that, yes, this is the brooklyn neighborhood. These are plans that have been drawn up, and I think you have them in your papers. The exact, you know, it was an artist --

**Francesconi:** Thank you.

**Sten:** Any further questions? Thank you. Is there testimony in support of the --

**Moore:** We have a list. Come up three at a time.

**Pedro Ferbel-Azcarate, 8512 SE 8<sup>th</sup> Ave., 97202:** Good afternoon. My name is pedro ferbel-azcarate, I live at 8512 southeast 8th avenue in sellwood, which is the neighborhood just south of the site. I'm on the board of southeast uplift where I serve my community as a member of the land use and transportation committee, but i'm speaking on my own behalf here. I submitted comments and support the appeal by the brooklyn action corps on this case. That was fantastic testimony, I believe. But I want to respond to two points that were in the hearings officer's report concerning public safety and public benefit. Public safety in relation to the increasing concentration of cell towers and their proximity to human living spaces has not been adequately considered in this case. Research on the effects of transmitting media is really in its infancy. However, there's already

**June 10, 2004**

evidence of any negative health impacts. These are real public health concerns of the people of this city. The case of asbestos use as fire retardant insulation and even as pajama material for children, is an instructive example of a new technology that was not given adequate consideration and we all know about the health impacts and costs of asbestos removal. It kind of speaks for itself. So we have the opportunity here with cell towers to be more cautious with the public's health. Seeing there's no real imperative to fill our city scapes with this untested technology, we ought to take the time to really consider this issue of public health impacts of this technology. As far as the public benefits, we must ask who is the public that benefits from cell towers? Well, there's certainly those who say they cannot live without their cell phones, or that their business depends on their cell phones. It's certainly an exaggeration to define this technology as a public necessity. Ultimately it is those who have access to the technology who benefit from it. Unlike the clear public benefits that arise from access to clean water and fresh air, the public benefit of cell towers is not universal. Given that access to cell phones is predicated on both a desire for the technology which is certainly not shared by the public, as well as a financial level that a majority of the public has not attained, we must seriously question the conclusions of the hearings officer when he says that the public benefits outweigh the impacts. I'm just speaking kind of common sense here, and I see this as an opportunity to show some leadership to ensure the public health of our city and an equitable definition of what is and what is not a public benefit. And I encourage you to support the appeal.

**Sten:** Thank you.

**Havilah Ferschweiler, 3534 SE Main St., 97214:** My name is Havilah Ferschweiler, I work with southeast uplift. We are having issues not just in brooklyn neighborhood, but in several different neighborhoods concerning cell phone towers going into neighborhoods and we are concerned about the livability issue. More so about the economic disparity in the sense that this has been said that this is basically going to provide traffic relief for the terwilliger boulevard. So if it's basically serving the people on the west end of the river, the question is, why is the east side, who already has several cell phone towers within the 2,000-foot radius, being asked to bear the brunt of this? It seems an unfair burden for the east side, and this brooklyn in particular -- this brooklyn neighborhood in particular, and it's concerning on that respect. We also are concerned, again, just to reiterate what pedro said, to call this a public benefit, again, it is assuming that people have the money to afford that, and a public benefit to me is water, sewers, other things that we need. This is something that select few, certain people benefit from, but it's certainly not to say all the public does. So I think that needs to be taken into consideration, and I hope that you support the appeal. Thank you.

**Daryl Phillippi, 4014 SE 9<sup>th</sup> Ave., 97202:** Good afternoon. My name is daryl phillippi, i'm a property owner at 4014 southeast 9th avenue and a resident of the brooklyn neighborhood. My home is one-half mile from the proposed site. I support the city's effort to provide a more livable environment for the good of its citizens. Rules and zoning codes are the city's effort to safeguard its residents from property owners who would create a setting that is a benefit to a few at the expense of a larger number of residents. Mr. Chan requested a conditional use change to a zoning regulation which implies that the original zoning for this property was not intended for this type use. While the hearings officer rightly ruled a cell tower could certainly be a benefit to the general public, this is just the wrong place to interject a 100-foot-high tower when there are others less intrusive to the public at large. Threats of this type development do permanently and substantially alter the essential nature of a basically quiet residential neighborhood are at our doorstep today. The approval of this project will alter forever the nature of this portion of the brooklyn neighborhood. The hearings officer stated in his opinion, the proposed wireless facility will not lessen the desired character or appearance of the area. Yet during the 107th u.s. Congress there was a senate bill introduced with the following findings. The placement construction and modification

**June 10, 2004**

of personal wireless service facilities near residential communities and facilities such as schools can greatly reduce the value of residential properties. Destroy the view from properties, reduce -- produce radio frequency interference, raise concerns about potential long-term health effects of such facilities and reduce substantially the desire to live in the areas of such facilities. The majority of cell tower sites will be found in industrial areas or in areas that provide concealment by large towers by large trees or buildings. This site is within a few feet of a much used pedestrian walkway. Since the major portion of the property owners in this area have voiced an opinion in direct opposition to the opinion of the hearings officer, does it not seem reasonable that the other owners might stand to lose more than would be gained by public benefit? The applicant has had a bit of a problem gaining acceptance to use the property of other owners in the area. These are owners that were approached and denied discussion or withdrew consideration later to preserve the integrity of the neighborhood. The press release for the afore mentioned senate bill stated in part, our bill gives state and local governments the power to require colocation and less intrusive technology. At comparable costs, these technologies allow the telecommunications industry to provide the same quality services without erecting towers on every hill and mountain. Further saying, to meet the demand for cellular phones and services, providers will continue to erect towers. Shouldn't our communities have a say where they should go. Giving local communities authority over tower construction and placement is a step towards preserving these assets. I ask that this approval be denied on the grounds that this is not a fitting use of the parking lot for a restaurant situated in this mixed use area.

**STen:** Thank you. Right on the nose.

**Emily McKinno, PO Box 42316, 97242, 3203 SE 6th:** Hello, my name is emily, I live at 3203 southeast sixth. I'm a resident of brooklyn and the newly elected chair of the brooklyn action corps neighborhood association. There would be more of us here today but we're primarily a working class neighborhood, and are unable to take time away from our jobs. I'm speaking in regard to criteria one, which was the impact on the neighborhood. 15 years ago, brooklyn was a far cry from what it is today. Our parks were not family friendly, our stores catered more to the beer and cigarette trade, our business storefronts were less than attractive, and homeownership was the exception. Today, our parks host ice cream socials, horse shoes and little league. Complete renovations on storefronts has increased along milwaukie avenue, and home ownership and restoration is markedly up. Row house that's match the style of the neighborhood have been built on milwaukie, and a senior independent living community is also planned. This is an up and coming neighborhood. Milwaukie avenue is the main street of this neighborhood. It is pedestrian and bicycle friendly, with banners celebrating the history of brooklyn. Neighbors wave to neighbors, this is the real thing. All of this improvement has been at the hands of the residents of this little community. The council knows how many years it takes to turn a neighborhood around. Some neighborhoods never make it. Ours is making it because we're vigilant and long-term in our thinking. We have plans for milwaukie avenue, and we have turned down development opportunities that would not have been a good fit with our long-term vision. This cell tower would be at the exact location of a proposed viewpoint that overlooks oaks bottom in one direction and downtown Portland in the other. VoiceStream is asking that they be allowed to put a cell tower on our main street. Granted, it's at the end of the street, our southern gateway to our neighborhood. But in our minds, that would be still like asking the city of Portland to put one downtown on Broadway. We've worked hard to bring up the quality of living in brooklyn. By no stretch of the imagination, would the newly acquired view of a cell tower be a plus when establishing our resale values. This is not a reward for our efforts, but is a permanent and indelible blight on our landscape. You can't hide 100 feet of ugly. One of the complaints most often heard lately at the community level is that our voices are not being heard, our objections are not being taken seriously,

**June 10, 2004**

the big businesses are the ones that have the most say. Yet in this year of election rhetoric, we hear how those running for office want to be connected to us and to be responsive to our needs, our concerns, and our values. We, the residents of brooklyn neighborhood and the city of Portland, are not fighting city hall today. But we are asking you city hall to fight for us. Please deny voicestream's request for a cell tower at 4729 southeast milwaukie avenue. Thank you.

**Sten:** Thank you.

**Matt Ethrider, 1414 SE Long, 97202:** My name is matt, I live at 1414 southeast long street, the gray house behind yummy garden in the pictures. I oppose the decision to site a cell tower on the yummy garden property on financial grounds. Allowing a tower there represents financial advantage for two parties, the detriment of many. The site has been chosen because it allows voicestream to build a shorter tower to reach all of the targeted coverage areas and because of the absentee owner of the property has given the applicant a deal which satisfies both parties. There were other sites under consideration which were found to be infeasible or rejected because colocating on existing towers meant smaller coverage areas because of shadows to the east west side. Why can't a new tower be placed in the industrial area to the east of the proposed site? Money. A new tower down the rail bed would cost applicant more because the added height necessary, the extra 60 feet. I also believe the applicant might not receive a pleasant lease if they must deal with an owner who is connected with their property. Mr. Chan is known to have very little to do with the yummy garden, spends many months of the year in China. It would be interesting I think to see how the deal between mr. Chan and the applicant compares to other such deals in the industry and the geographical area. The site allows mr. Chan to receive extra income from an otherwise revenue static property and allows the applicant to save money compared with other siting options. There are arguments and studies on both sides of the issue of the effect of cell towers on nearby property values, but would everyone here feel comfortable about your own property values if a cell tower were to be placed less than 50 feet from your home? I know the federal government has preempted all discussion of the health effects of tower. I thank them for that, but it's good to know the deleterious effects known in other countries just don't exist here. Considering the federal government's stellar record in looking out for the health and safety of Americans when it comes with a conflict at the interest of commerce, I feel great about the fact we don't have to deal with that issue. However, there is a public perception that living right next to a cell tower might be the best situation healthwise. This is what i'm worried about when it comes to selling my home. My guess is that I will see a market drop at what I might expect on the open real estate market as will my neighbors. We have a financial benefit for an absentee property owner and a corporation not based in Portland. A very likely financial cost to the homeowners who live, pay taxes and vote here. What I want to know is what kind of Portland do we want? What does Portland stand for? Allowing the siting is an indication that Portland stands for economic growth at all costs. Absolutely any money made in Portland is good, even if it is a deal that hurts some residents for no good reason. There's a perfectly good industrial area just a few blocks away. Siting here indicates the residents of this area we're not important and ensuring that a corporation gets the best possible deal for any investment is of paramount importance. That's all.

**Sten:** Thank you.

**Nancy Prior, 1414 SE Long:** My name is nancy prior, I live directly adjacent -- at 1414 southeast long street, directly adjacent to the yummy garden property. I have two points I don't feel were adequately addressed in the hearing. Birds and health, Oaks bottom is a wildlife refuge and a bird sanctuary, it's home to some birds and heron's and a nesting pair of bald eagles. The applicant has made the claim the tower will not be tall enough to affect migrating birds. In February 2003 environmental groups filed lawsuits against the f.c.c. in the u.s. Court of appeals in the district of columbia alleging the f.c.c. violated the national environmental policy act, the migratory bird treaty



**June 10, 2004**

act and the endangered species act by allowing 5,820 cell phone towers to be constructed along the gulf coast, killing of tens of thousands of birds that flew into the tower at night when visibility is poor. There must be some danger in this situation. Even at the low level of the tower which is on a sizable embankment. A tower so close to the wildlife reserve interferes with the character of the neighborhood and its parks and the purpose of the preserve. Birders were constantly hiking in the bottoms. Not only will the tower be an eyesore from the meadow at the north end of the refuge, it will be a danger to its inhabitants. As a woman of child bearing age and the mother of a small child I appeal to you to reverse this decision. I can't prove with certainty that the health effects are absolute so please consider the precautionary principal from the earth summit in rio in 1992, which the united states signed and ratified. Which states where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost effective measures to prevent environmental degradation. Be proactive as local policy makers. Keep these towers away from residences and prevent future lawsuits. Like the ones going on all over the world in regards to these towers. Like the ones choking up our legal system concerning the tobacco industry. Demand further research. Stop placing towers besides the poor and vulnerable. This is a residential area regardless of zoning. Unless residential means owner occupied. The f.c.c. says towers can be placed over 2,000 feet. My research in the past six months says a thousand feet is a safe distance from a base station to live. Therefore towers within a half mile of the proposed site. Does it seem fair to make it almost impossible to be a safe distance from a tower in one small neighborhood? This tower does not even serve us. If a tower is built beside my home, I move. I lose as much as 10% of the value of my home. Ironically this is about the amount, \$25,000 we could have spent simply to be considered for a zoning change that may have prevented this tower in the first place. We have no other recourse. I refuse to bear the burden of proof. I'll sell my home where my daughter was born with a dirty conscious hoping the family that moves in doesn't experience a miscarriage or become a terrible statistic and a child leukemia cancer cluster. Make sure to move at least a thousand feet away from any existing towers at least for the moment. Thank you.

**Sten:** Thank you. Any questions of the council? Next three.

**Don Stephens, 908 SE Cora St., 97202:** I'm don stevens, I live at 908 southeast cora street. I'm here representing the brooklyn historical society. I'm chairman of that organization. I am in support of the denial of the overturning of the finding because it's constructed at the southern portal of the brooklyn neighborhood. Historical society urges you to deny this proposal for a number of reasons. First, this 100-foot tower would significantly impact the historical nature of the surrounding brooklyn neighborhood. The society has for the past four years been hard at work at gaining national historic district status for the brooklyn neighborhood, one of Portland's oldest neighborhoods. The society has substantially completed the process by filling out state historic preservation office forms for more than 900 residents and business properties in the neighborhood. In addition, we're now in the process of photographing each property in accordance with CHPO the historic preservation office. Nomination standards approximately 300 photos. The director of CHPO has assured us we have a high probability of success for nomination due to the historic nature and integrity of the neighborhood. The proposed cell tower is not consistent with our heritage and will have a significant negative aesthetic impact on our historic neighborhood. As recently ruled by the u.s. District court, Portland has a right to reject such towers for these reasons. In addition, the need for this tower to provide cell phone coverage for brooklyn has not been established, in fact, there's a significant issue of neighborhood equity since the tower will primarily serve the west side of the river. The brooklyn neighborhood historical society urges you to deny this application for these reasons. Thank you.

**June 10, 2004**

**Brooks Koenig, 2833 SE Harrison St.:** Good afternoon. My name is brooks koenig, I live at 2833 southeast harrison street. I'm recently elected board member of the hand neighborhood, and i'm speaking along with my brooklyn neighbors in opposition to the siting of the cell tower and any adjustments to the landscaping requirements. I believe that the hearings officer misapplied the conditional use approval criteria. That said, what are the approval criteria, and other people have read them and I won't read them again, that they are 33.815.225.d. And again, it seems a little peculiar with the way the code is written that d applies, since this tower will be over 100 watts. But it still comes down to sort of a balancing criteria of looking at these issues. And so, again, we have the question on the number and proximity of other facilities does it lessen the desired character and appearance of the area, and again, I concur with my b.a.c. Neighborhood brethren that this is misapplied, and it seems like the hearings officer is saying, hey, it's already ugly there, why not allow a cell tower. I mean, we had these pictures come up and say, we've got a billboard there, and we've got a utility pole, and we have a crummy-looking building, so let's stick a 100-foot tower there. And I think commissioner leonard pointed out there is a 65 to 80-foot utility pole there, and if there's ever an opportunity for colocation, it seems like it could be there. On the second criterion, I also agree with b.a.c. that the public benefits do not outweigh the impacts which are not mitigated because there's no way to mitigate the 100-foot tower beam there. I guess I too have to question whether having better cell phone reception on i-5 through the terwilliger curves is a great public benefit. The negative impacts to brooklyn are clear, and, again, we have the request to waive those landscaping requirements. The final approval criteria refers back to chapter 33.274, and again, I guess I would like you to look at the purposes for adopting regulations, and again, as the last speaker talked about, the precautionary principle, I mean, we have here the first purpose is to protect health, safety of citizens from adverse impacts of radio frequency emissions. My time is out, but I recommend that you continue to look at those purposes when you do, you'll see that they are not met and that you should overturn the hearings officer's decision and direct the applicant to find a more suitable location. Thank you.

**Sten:** Thank you. Would anybody else like to testify who hasn't signed up? Perfect. Thank you. I'll have the applicant come up. 15 minutes. Frank is it 15.

**Hudson:** Yes.

**Sten:** I'm blocking out this procedure today I don't know why. Good afternoon and you've got 15 minutes.

**Lance Bailey, Zoning Supervisor, T-Mobile Wireless:** Thank you. Good afternoon, council. My name is lance bailey, i'm the zoning supervisor for t-mobile wireless. I think i'm going to start out by clarifying an issue about the coverage area for this site. There's been a lot of testimony that has referred to the potential inequity of siting this location in the brooklyn neighborhood when the proposed -- when the coverage area is intended for terwilliger boulevard. I think I know where the confusion comes from, we had submitted with our application a document that shows what our search ring is. I imagine you've done enough of these type of hearings to know conceptually what a search ring is. But generally it's the area that our engineers determine we need to site a location in. So there's a statement on the bottom of this document that says, and i'm going to read it directly, it says, the site is to provide traffic relief for terwilliger boulevard to and to improve the existing coverage in southeast milwaukie avenue and mcloughlin boulevard intersection. Terwilliger boulevard 2 is the name of a site that we currently have that's located on terwilliger boulevard. So actually what's happening is the opposite of what some of the appellants have argued. This site is specifically being built to offload traffic from our existing site, which is located on the west side of the river, to provide coverage on the east side with an east side site. So I think some of the terminology when it refers to terwilliger boulevard 2, is not referring to terwilliger boulevard the road, but to an existing site that we currently have. I think -- there's been substantial testimony

**June 10, 2004**

today referring to that, and I wanted to clarify that issue. I wanted to summarize my comments into three general areas. First of all, concerning the character of the neighborhood and this is going directly out of the review criteria for this application. I think that going through the hearings officer's decision, he went at length to describe what he determined to be the character of the neighborhood based on the existing zoning structure, the existing buildings and existing uses that are occurring out there today. In his analysis and in that characterization and in his findings found that this particular site or this type of use would not be out of character. I think that if you look at the neighborhood as a whole, you would find areas that are more residentially oriented. In this particular case, the site that we're proposing is located in a commercially zoned area. I also did want to make one other comment about commissioner Saltzman had referred to the need for the type 3 conditional use, the cause of the adjacency of the residential. In fact, in this particular case the residential zoned properties that are within 50 feet that trigger that criteria is an odot right of way. It's to the west of mcloughlin. The houses that are referred to, I believe it's on long street or long avenue, to the north are actually more than 50 feet from the proposed tower. So the residential is actually triggered that criteria is the odot right of way along mcloughlin boulevard. Which obviously will never be developed for residential use. As far as the issue of the public benefits outweighing the impacts, I think there's obviously some philosophical arguments and opinions that probably not going to sway entirely today. But I think looking at the review criteria in the zoning code and applying the test that the hearings officer did in his findings to weigh the public benefits against what are the impacts, and the impacts -- the main impact in his findings that he concludes that is the hardest to mitigate obviously is the 100-foot tower itself. The city zoning code has other provisions for landscaping and buffering that are written for the intention of mitigating some of the other impacts, and in this particular case we have applied for a landscaping adjustment because of the sort of the configuration of that property, but as staff has indicated, there was a condition of approval proposed that we move the existing tower itself to the west so that we could provide landscaping to the east and there was a comment made from the representative of the brooklyn option corps that you would be able to see the equipment from the condominiums or the apartments across the street to the east, and actually with the site obscuring fence and the landscaping required by the condition of approval, that would not be the case. I just wanted to touch on some of the specifics -- specific issues that have come up in testimony. There was a comment made concerning the difference in longevity, if you will, of a cell phone tower as opposed to a billboard. There is, as the staff showed in the photographs, there's currently a billboard located on that property, and there was a comment made by one of the appellants that the billboard could be taken down but that a cell phone tower is likely to be forever. I would comment cell phone towers and billboards exist under the same leasing agreement, and that if the probability that a billboard is going to come down is just as much as a cell tower, the billboard company is leasing space from that property owner just like voicestream would. So I think that's an inaccurate characterization. There was another comment that referred to the setbacks, specifically the tower setbacks. There was a comment made that the setback standards, it said, the tower setback standards were meant for industrial sites, not residential and commercial zones. I would say the city zoning code for -- is what determines the setbacks is for a commercial zone, which is exactly where this is being located. So the tower setback standards that are being met in this particular application are applicable to the commercial zone which is the underlying zone in that area. I'm not going to speak to the health issues. I think for obvious reasons that the council is probably encountered in other hearings on these cases and that these -- the health issues are covered by federal regulation, f.c.c. Regulation and are not the purview of the local jurisdiction. So i'll hold any comments on that testimony. There was a comment, I know commissioner leonard had asked about the -- those -- there was a comment about how tall the tower would have to be to equal the height of the -- if we were going to go on one of the existing towers

**June 10, 2004**

down in the industrial area to the east. And the figure that had come up is 160 feet. I would say it's 260 feet, because you've got the existing 100-foot tower, there's a 60 or 70-foot ground elevation difference between those properties and the yummy garden site, and then there's the additional 100 feet which is what our proposed tower is. So to be completely equal, it would be 260 feet. In regards to the testimony concerning the proposed overlook site, in the -- the hearings officer specifically addresses this in his findings, and I think that he took that testimony into consideration in that in his finding saying that the proposed overlook would be located to the southwest of where the actual parking lot for the yummy garden restaurant is. The overlook based on the applicant's testimony, is for the views that exist to oaks bottom park as well as to downtown. The location to the southwest of this site would not impact any of those views. And substantial testimony has been made to support the overlook essentially for the views that it provides. I know there was a number of testimony in discussion that went on at the original hearing concerning the alternatives analysis. This is something that is coming up increasingly on these type of applications. In the opposition's testimony and some of the materials they submitted, they refer to six existing cell phone sites that they felt could possibly be colocation opportunities. The hearings officer concluded in his decision that of those six, I believe it was four or three were actually sites that were t-mobile voicestream sites currently. Two of the others were actually located within what -- t-mobile engineers determined to be our search ring. He did consider those in his findings, and we had submitted testimony both written and a set of photographs that showed -- we did analyze the feasibility of collocating on two of those other towers that exist down along I believe it's on 16th avenue, 16th or 17th avenue. And it was the conclusion of our engineers that those sites would not work essentially because of the elevation, the height we would be able to get with the antennas at that location. I'll reserve the rest of the time for questions if you have them.

**Leonard:** I have one. Mr. Bailey let's check our math. Sea level at 17th and holgate is 40 feet. Sea level -- excuse me, above -- 40 feet above sea level. At the proposed yummy garden site, 100 feet, the difference being 60 feet. By my calculation if you had an antenna at 140 feet, at 17th and holgate, that would equal a 100-foot antenna at yummy garden. Get me to 260 feet. Which is where we're trying to tell us --

**Bailey:** I'm -- i've never stood on my mathematical prowess. The way I had --

**Leonard:** Nor have i, which makes this shocking. I have never corrected somebody on math before in my life.

**Bailey:** My mom was a math teacher, so i've been corrected on it a lot. This is how it -- I took the existing 100-foot tower down in the industrial area to the east. You add the 60 feet of ground elevation difference, that would be standing in the parking lot at --

**Leonard:** Which means you're looking at 40 feet of tower from 17th and holgate.

**Bailey:** I did leave out one issue -- there actually was a photograph that was submitted with the -- with our materials that showed -- we actually went up and took a photograph from the -- there's -- the mexican restaurant that's right there on the corner of holgate and 99. I took a photograph center parking lot level, which is essentially the same ground level as the yummy garden site, which you could not see the existing towers down to the east, and you could just barely see the very tip of the tallest tower.

**Leonard:** But i'm assuming you're agreeing with the findings of the hearings officer.

**Bailey:** Yes, I do.

**Leonard:** So i'm just going by not anecdotal information, but what i've read here and what he states here is that the 17th and holgate site is 40 feet above sea level. Yummy garden is 100 feet, difference being 60 feet, my math tells me that if you add 160-foot tower at 17th and holgate that would equal a 100-foot tower at the yummy garden site. You said 260.

**Bailey:** I'll stick with your number.

**June 10, 2004**

**Leonard:** Ok. The other question I had then has to do with the power poles that we saw pictures of outside of the yummy garden restaurant. How tall are those?

**Bailey:** I couldn't give you an exact figure. I'm going to estimate that they're 45 to 50 feet.

**Leonard:** The staff said 60 to 80. How tall does the tower have to be at the yummy garden site to provide the coverage that you require?

**Bailey:** The actual -- the minimum height based on -- and this is to the bottom level would be no less than 80 feet. The additional 20 feet in a situation like this, obviously it gives us a better coverage area to add the additional feet. As well as it provides the opportunity for colocation. That's something that when we do -- build a new tower in the city, the code doesn't require you to provide colocation opportunities, but I know coming in as the following carrier that there is -- that there is code language that requires you to seek out colocation opportunities.

**Leonard:** You're making my point Mr. Bailey. You've said that you need at least 80 feet, the staff have said that the power poles are up to 80 feet high. Why haven't you explored putting some of the flush mounted antennas on a power pole as opposed to building a huge tower at this yummy garden site?

**Bailey:** For a couple of reasons. One is code related. The other is the feasibility of just because there's a utility pole there doesn't mean it's feasible to attach antennas --

**Leonard:** Did you inquire to that?

**Bailey:** We did approach p.g.e. About -- not about specific pole locations at -- in that block.

**Leonard:** Then how is it you attempted to colocate then as you say that --

**Bailey:** I'm trying --

**Leonard:** -- if you didn't ask them about butting your flush-mounted antennas on the side of those poles?

**Bailey:** If you look at the photographs of those poles, they're high-tension wires. Typically, not typically, flat out, P.g.e. does not allow anyone to locate other than p.g.e. equipment on high-tension power lines.

**Leonard:** Ok.

**Bailey:** In addition, if you -- I can't -- I just know from general characterization of the poles in that area, because I have seen them, that there are a number of poles specifically in the frontage of the yummy garden parking lot that have a number of transformers on those sites, and again, in my experience with p.g.e., you're not going to be able to -- there's a limit to how much you can put on a --

**Leonard:** My point is you didn't inquire specifically on those poles about mounting flush-mounted antennas.

**Bailey:** The reason being is that they're high-power tension lines. That was -- when we go out and do our site visit, that was the determination that we made. Speaking to the code language, which is a fresh issue after having that been the code revision, or code maintenance language, just being before the council yesterday, when this application was made, we -- to place a radio equipment on the ground, which would be our b.t.s. Equipment, at the time would require the exact same type of application that we're doing right now.

**Leonard:** My last point is, assuming we both agree it takes 160-foot tower at 17th and holgate, it seems to fit better with what's occurring in there, given the other towers, did you negotiate or discuss what the property owners in and around 17th and holgate where the other towers were, the possibility of locating a tower there?

**Bailey:** We did not. One of the reasons probably the primary reason for that is the need to come to the city to apply for 160-foot tower, which is something that's -- that we generally don't build something that high.

**Leonard:** Thanks.

**June 10, 2004**

**Sten:** Further questions?

**Saltzman:** A couple questions. You said you have a couple sites around 16th and holgate?

**Bailey:** Those sites are existing monopoles for other companies. So we had looked at those as possible colocation opportunities.

**Saltzman:** This is to serve primarily the mcloughlin-holgate area?

**Bailey:** Correct.

**Saltzman:** So why weren't those colocation opportunities feasible?

**Bailey:** Related to the discussion that we were having in dealing with the height, there is a ground elevation difference between -- of 60 feet between where those towers are located and the location of the yummy garden restaurant. The tallest tower that's currently there is my estimation is 100 feet tall. To colocate on that existing tower without an extension with the required separation of the antennas would be about 80 feet. Which would be the rad center or the center of the antenna.

**Saltzman:** 80 additional?

**Bailey:** 80 existing. To colocate on the tower where there's currently one carrier and the tower is 100 feet, you're going to be locating at 80 feet.

**Saltzman:** you need at least 20 feet of separation between your --

**Bailey:** When I say 80 feet, what we refer to as the rad center, it would be the middle of the antenna, the antenna itself is in our case six to eight feet tall. So the separation requirements for the carriers are generally 15 feet.

**Saltzman:** What does it mean to have adequate service? It's said this area is not receiving adequate service. What is adequate? Is there a definition? Or is that a subjective term.

**Bailey:** I would say there may be -- there isn't a definition. I think there's logic to understanding what adequate service is. When we do our propagation maps, which you probably have seen before on these sites, we generally break out, they cover different signal strengths. The signal strengths can be related or correlated to different levels of service, ranging from no service at all, to what we refer to as outdoor coverage, which would be if you're standing outside with no obstruction whatsoever, the next level up is in car, which is -- you could be inside a car, and then the top level services in building. That means you could be inside your house and inside a building and make a call. I think that logic would dictate that adequate service is being able to provide in-building coverage. That's what we have found with -- that's what our customers demand. I imagine most of the people in this room have used a cell phone and the idea of what adequate coverage is not that you have to go out to the northeast corner of your porch and hang over the rail to make call, but that you can use your phone in your normal travels, whether that's being outside, in a car, in your home.

**Saltzman:** So somehow this area to be served by this monopole is less than in-building?

**Bailey:** Yes, it is. And we did actually submit documentation that showed -- we started over the last two years to -- we document all of our customer complaints and we put all the customer complaints onto a map. And we actually keep a database of what that complaint is, is it call quality, is it a dropped call, and we did actually submit a document with I believe it was in response to a question from the hearings officer very much like your asking, that showed exactly where our customer complaints are in this particular area. I believe I have a copy of it with me if you'd like to see it.

**Saltzman:** I'll accept that you have it.

**Bailey:** So adequate coverage is being able to hold a call inside your house.

**Sten:** I think he's got it.

**Bailey:** Ok. Thanks.

**Sten:** Any further questions? Thank you.

**Bailey:** Thank you very much.

**June 10, 2004**

**Sten:** Is there any testimony in support of the applicant? Would anybody like to testify in support of the applicant? Great. So the appellant, you have five minutes for rebuttal if you'd like it.

**M. Phillippi:** The only thing I think we didn't really cover, but I had mentioned it in one of our first opposition to this application, was that the Ross Island sand and gravel area down there, where it would not be affecting any residences, which would be covering all the area. I never saw anything back as far as what was investigated in that, and I'm just curious as to where that went to. There's already -- when Sprint tried to put one on Holgate right there on Holgate, we had mentioned before that there were towers down there that would be very high. So that was one. Other than that, I think we covered our area as much as we could.

**Sten:** Great. Thank you. Any more questions? Can staff come back up and be here in case we have questions? I'll open it up for council discussion and motions or debate. Any questions for staff or anything you'd like to add?

**Leonard:** I'm ready to make a motion.

**Sten:** In that case, make the motion, please.

**Leonard:** I move to deny the hearings officer's recommendation and uphold the appeal.

**Sten:** Is there a second?

**Francesconi:** Second.

**Sten:** It's been moved and seconded. Is there council discussion?

**Leonard:** I think that the appellants have made the case that this -- that there hasn't been an earnest attempt to collocate the tower, and that I would hope that this would be a message to companies that they -- that that isn't just hollow language in the code, that it means to earnestly attempt to collocate to minimize the impact on the livability of our city. And I think that the appellant has made the case.

**Sten:** Further discussion? Roll call.

**Francesconi:** I support the motion, but for a different reason. That's not the reason that I -- for the basis of my no vote.

**Leonard:** Yes vote.

**Francesconi:** Pardon, my basis is the criteria 33.815.225, it's not been met. Specifically the less -- this lessens the desired character and appearance of the area and it's particularly that for me, we do have to accommodate, unfortunately, but the law is cell phone towers in certain areas. But this is the southern gateway to the neighborhood. There have been ongoing efforts by city agencies in the neighborhoods, this is a special spot for the neighborhood as a gateway. And so that's the basis for me. Did I notice in the hearings officer's opinion that it hasn't been approved by the council, but the reason is because we stopped approving neighborhood plans. So you can't use that to penalize the neighborhood. So given the special nature of this as a gateway with an overlook to the river, as well as an overlook to the downtown, that's the basis for my no vote. No.

**Leonard:** Aye on the motion?

**Francesconi:** Yes.

**Leonard:** To deny --

**Francesconi:** I have to vote aye. And I vote aye. It's to deny the tower application.

**Leonard:** Aye.

**Saltzman:** Aye.

**Sten:** I agree. I have actually been -- I have a cell phone, I think many of you do, you have to put the tower somewhere, generally at times I've been more supportive of putting them in, because -- in this case I think there's a better place to put it and it doesn't reach the standard that the code calls for. So I'll also vote aye. The motion carries unanimously, and the hearings officer is overturned, and the council will be adjourned for seven minutes until we have a time certain at 3:30. And do

June 10, 2004

we need to bring back findings? [applause] we do need to bring back findings, so how long will that take?

**Walhood:** We have to do it by next week.

**Sten:** Ok.

**Moore:** Did you state a date?

**Walhood:** A week from today.

**Moore:** That will be thursday, june 17, at 2:00.

**Sten:** Are we meeting anyway that day?

**Moore:** There wasn't anything else.

**Sten:** Could you do it by wednesday? Ok. I don't think we need a time certain.

**Moore:** Wednesday morning, because that's a 6:00 p.m.

**Sten:** Sure. For the audience, the findings will come back to council wednesday at 9:30. We won't be taking testimony but it will be voted through at that point. Thanks. [recess]

At 3:22 p.m., Council recessed.

### **Items 672-675**

[Roll call taken]

**Katz:** All right. This is what we're going to do. We're going to take -- I know it's difficult to separate all these items, but we'll take 672 separate first. We vote on 672 until we've heard everything else. And don't ask me why, it's just my -- my sense. We'll come back to it. And then we'll take 673, 674 and 675 altogether. All right, karla?

**Moore:** Ok.

**Katz:** All right. Let's do 672.

### **Item 672.**

**Katz:** As don comes up on this, this is a huge project, as you all know, and it takes amendments after amendments, and this is the third, but I want to flag a portion of this that took so much time and so much discussion and so much collaboration, and that's the work force diversity piece. If anybody has complaints about why this took so long, and what were the sticking points, that was one of them. And I want to thank ohsu who really probably never went through this process with us before, and thank the p.d.c. and matt hennessee, the chair of the p.d.c. Commission, and others for staying on track and providing us a model for work force and a model for work force diversity for this part of the city that hopefully can be used for every other project where we have our -- our resources linked to. And maybe hopefully for the entire city. I know you're going to be talking about it, but I just needed to flag that to the council, that that is really a major piece of work. Ok.

**Don Mazziotti, Director, Portland Development Commission:** Mayor Katz and council, my name is don mazziotti, the director of the Portland development commission. I'm pleased to be here. I'm joined by jane blackstone and a phalanx of other people.

**Katz:** Before you begin, there's an amendment, so at some point you have to explain what the amendment does.

**Mazziotti:** Ok. Yes, we will do that.

**Katz:** Ok.

**Mazziotti:** I want to acknowledge to start with that, mayor, as you said, this is a very complicated agreement. We've literally negotiated it till the last minutes. I apologize for it being last minute in all of its great detail. We issued a summary of the development agreement 10 days ago, however two pieces were really not agreed to until the waning moments of this discussion, that having to do with work force diversity and also on affordable housing. And to the affordable housing community and interests i'm sorry that we didn't release this document sooner, but we did the best that we could. To set the context for this project, which you know so well, but I want to make



**June 10, 2004**

certain that the public also understands the context, or we refresh our memories, this is a 31-acre part of an urban renewal district called the north macadam renewal district. It is the central district of this 130-acre area, which has come to be known as south waterfront and located in the overall 409-acre renewal district. It's directly south of riverplace and downtown Portland. It was previously industrial and multiple ownership, very close to the downtown, and obviously very close to the ohsu/marquam hill campus. This is a recent picture of that south waterfront and central district, and the central district is shown by computer simulation as to what we envision it to become 10 years from today or so. The plan goals for south waterfront are ultimately 10,000 quality jobs, 3,000 housing units, 788 of which would be affordable units, a greenway that would be exemplary part of our regional recreational and greenway assets, an integrated park system, sustainable development as a have standard for the buildings which are developed, and multimodal transit and transportation to serve the area. The original central district development agreement was executed august 22, 2003. It calls for the redevelopment of 31-acre property in the center of the south waterfront district. The parties to that agreement, in addition to the city, include the Portland development commission, Oregon health sciences university, nmi llc and their investors. Rci llc, same is true, but another entity. The goals include 5,000 jobs, ohsu stimulus for that area, market rate and affordable housing, urban revitalization in what is an underdeveloped and under-utilized area, a greenway as i've said, a multimodal transit system, leed standard buildings, and minority women and small business participation in the work force that is on work at the project itself. The current development agreement obligations include 1.5 million square feet of ohsu research, clinical and institutional space. 2660 housing units, 430 of which will be affordable, a garage which will include a development podium for future additional housing and development, and a hotel. The development agreement also obligates the parties and ohsu to commercialize research space, to bring the streetcar to gibbs street, work which is under way, to develop an aerial tram to marquam hill, which is part of your discussion today from a funding standpoint, streets and utility structure, infrastructure, and a greenway and park projects. The accomplishments to date, that is since august, are considerable. Eight of the basic contingencies -- we had 18 basic contingencies you'll recall -- eight of those have been satisfied. Public and private development is moving forward. If you've visited the site recently there are some large holes in the ground, which are in preparation for foundations that will serve very, very substantial buildings that conform to the plan which has been developed. And we've received state and federal support so far, \$2.8 million, for infrastructure, and for \$400,000 for affordable housing. There are other federal dollars that we anticipate will be part of this project for ohsu programs. Incidentally, the ohsu legislative and program agenda includes securing additional funds for affordable housing, as it does for p.d.c. And other parties to the agreement. This picture is a recent overflight. It shows the work under way in the central district. It also shows that a substantial amount of work and clearance has already been done. The work began in january on construction of new streets and utilities in the central district. And both public and private contractors are at work. A key feature of this project is the tram project, 100% of the schematic design is done. You'll discuss that today. There's been a great deal of progress, and we'll talk about that or it will be discussed in more detail when that item is discussed in detail. The ohsu building one, which is now under construction, is a building of 400,000 square feet will be built to a gold leed standard. To give you a sense of standard, the koin center is 425,000 square feet. It gives you a sense of the size of the structure. It will cost \$145 million and it is on block 25 adjacent to where the tram from ohsu would land. The meriwether condominiums are under construction, built to a silver leed standard, built on block 30 on the river. These are the first units under development right now. The bioswale stormwater project, a part of our discussion over the past several years, was completed last fall. This is a representation of -- we think -- of the innovative and sustainable approach to the treatment of stormwater. Greenway planning is in process, a development plan

**June 10, 2004**

completion is anticipated by the fall of 2004. It's a collaborative effort led by parks and many others, including property owners, resource agencies, citizens and the like, and we're looking forward to the details of that plan. Affordable housing site acquisition is under way. I want to elaborate on this just a bit. We've been working with odot for many months to secure surplus properties within the North Macadam area. Odot has told us they're interested in identifying surplus property for this purpose, however they are not in a position to donate the property to the project. We continue to have discussions with them on terms and conditions. The project at the moment is not in the position to acquire those parcels, but we potentially could secure options in the short run so we're certain not to lose them for the future. We also, yesterday, announced at the development commission that a letter of understanding between the commission and nmi was signed for a purchase of a site in south waterfront to be used for a site for affordable housing. This is extremely important, for a couple of reasons. The real estate values in this area are skyrocketing. And the cost of building any kind of housing is extraordinary. Our ability to use limited resources to multiply the number of affordable units which could be built rests upon our ability to get reasonably cost or priced land, and we think we're achieving that with this agreement. We also have a neighborhood park that is part of our acquisition. We've initiated the acquisition plans. You're aware of some of those plans, I think, and p.d.c. has authorized acquisitions proceeding with negotiations to meet the obligation. We must acquire the park, I'll remind you, by 12-31-04 by terms of the development agreement. We're working against a hard deadline on that matter. Finally I can report that at least to date our contracting reports results 21.4% minority women and emerging small business participation on public and private contracts so far. Pdot public street contract is achieving a 30% participation at the present time. The third amendment, which is before you, has a series of key elements that I want to provide a review. Basically it lays out a funding and financing plan and related updates which were anticipated in the development agreement which passed last August. We knew that we would have to amend the financing plan, and we've had to go through a series of difficult and challenging processes to get there, largely, simply, extending the first phase life so we could capture additional dollars, but also the parties have come forward and made commitments for additional resources. We've included affordable housing site acquisition. The commissioner Noell Webb is here from the development commission to answer questions on that at some point later in our discussion. We had to deal with the ppl tower relocation and its costs, how that would actually be accomplished, and a variety, maybe dozens, of miscellaneous revisions and clarifications, which are largely of technical interest and legally required. The funding plan update, which is referred to in some of the documents, as f and fp, all parties were required in this amendment to increase their financial support to keep public improvements on schedule. The updated plan addresses funding gaps in affordable housing, neighborhood park acquisition, the tower relocation, and perhaps most importantly the tram. The new amendments are summarized in this slide. Ohsu will generate \$7 million additional in tram l.i.d. Participation. South waterfront owners, \$2.5 million of additional for the tram. P.d.c., \$6 million in new tax increment in order to satisfy affordable housing and other requirements.

**Katz:** Let me clarify. You'll be borrowing from --

**Mazziotti:** We're simply stretching it out, the period of time in which we've set to complete all of the obligations. That's been acknowledged by the parties as acceptable. nmi has agreed to additional payment obligation, which we can detail later. The state has committed to \$2 million for macadam improvements, \$2 million in energy tax credits which will be used against the project. I've mentioned the \$1.2 million from v.a. And h.u.d., and from private sources \$2.8 million for the ppl tower project which has been action and funding from OHSU, nmi and pacificorp and they ought to get credit for the action they've taken there.

June 10, 2004

**Leonard:** Don, if we could just go back, I think the mayor asked you a question, over the pdot \$1.5 million.

**Mazziotti:** I'm sorry. Yes. I apologize. On the city front, pdot has come up with \$1.5 million in additional s.d.c.'s and some other funding which matt brown can describe in more detail, if that's ok. On the affordable housing side, this slide shows a really -- what is a five-year plan. We think we've made significant process in year one on site acquisition, this being year one, as i've described to you already. It is an important priority, one which the development commission has certainly had among the top priorities on its list, and I think adding -- we're proposing to adding \$1 million of t.i.f. in order to accelerate our ability to acquire in the short run Federal dollars, \$400,000, has been committed as part of the v.a./h.u.d. Grant for purpose. P.d.c. And partners will continue to pursue additional federal funding. We're looking at \$10 million as a minimum for affordable housing to be done in the first phase of the project. Of course, we hope to get more. The neighborhood park, we've identified parcel j between naito parkway and harbor drive, currently a parking lot, that's under parks jurisdiction. We are in the process of acquiring or making initial acquisition. We've set a total budget, including various aspects of improvements, at \$6 million. And also additional s.d.c.'s at \$1 million. There was a \$5 million gap in that mix. P.d.c. Has stepped forward by stretching out the time lines with additional \$5 million in resources. When available, and partial j proceeds are available, there will be a partial payback of those dollars. We're counting on that in order to transfer it to other aspects of the project. A little bit about the pp&l tower relocation. There's one in the district, one on ross island, and there's one near the sand and gravel operation on mcloughlin boulevard. It isn't a simply matter of simply dealing with one tower. We looked at multiple options. The most feasible was to relocate current transmission towers and lines. The cost estimate is \$3 million, a big number. And so the resources that have been pledged from nmi/rci are \$1.3, from PacificCorp \$1.5, and from tif and federal relocation dollars \$.2 million. We think that we'll be able to capture other funding from other sources, but at this point that's really all that I can report to you. The tram which will be of much greater discussion here, the cost estimate on funding on 8/03 was \$15.5 million. On 6/04, the revised cost, total funding, is \$28.5 million, creating a huge gap obviously from the original number, and one which as ohsu as the principal user and beneficiary has stepped forward and agreed to an additional l.i.d. Obligation totaling nearly -- or around, perhaps more than \$7 million. An additional south waterfront l.i.d. Amount totaling \$2.5 million. State energy tax credits in the amount of \$2 million will be used, and then the city tradeouts would be at \$1.5 million. No new t.i.f. To the tram project would be added, this a result of our consultation with many of you and certainly with our commission.

**Leonard:** Don, are you the best one to ask about the state energy tax credits or is there somebody else --

**Mazziotti:** Probably not. Jane, do you want to discuss those at all? Are you the right individual?

**Jane Blackstone, Portland Development Commission:** Probably ohsu.

**Mazziotti:** It applies to their structure, so I suggest they speak to it, how they're going to use it, because i'm certain i'll make a mistake. As to our provisions, we extend the basic contingency schedule now through 9/04. Which is to say we give ourselves additional time to satisfy the remaining basic contingencies that yet need to be negotiated. External funding, we have great potential for the use of federal funds to free up committed t.i.f. And other funding gaps in tier one, or phase one, including affordable housing and greenway and park improvements. It recognizes ohsu investment in seeking funds. They are doing that, taking the lead and ought to receive credit, as should the city, and we will continue to work hard to pursue these federal dollars. I feel good in our external funding efforts, and that's part of our agreement. Other provisions include affordable housing land acquisition as i've described to you. I can't go into detail at this point, because we just signed the agreement with the understanding yesterday, but we're talking about a 2.6-acre parcel.

**June 10, 2004**

NMI Will negotiate the sale of 46,000 sq ft to p.d.c. for development of affordable housing, and we would focus our resources and efforts on that site because we can develop it most economically and quickly. If the sale is completed, affordable housing obligation would be met for the 2.6-acre parcel, however I think commissioner Sten and others have worked on some modification of that understanding which is acceptable to us and I believe to the team. The additional payment obligation from NMI would be spelled out or understood in that context. So let's wait till we discuss the amendment, if that's ok, mayor.

**Katz:** We'll do that. I've noted it.

**Mazziotti:** Other provisions, there's minor modifications. The greenway track dedication, terms for due diligence, when the parcel is ready for transfer has been moved out of basic contingency. No change to the NMI Obligation to dedicate a pocket park after acquisition of a total of 5 acres outside of the central district. This clarifies that this acreage is developable acreage. And a variety of other urban design and other considerations. The urban design coordination is built into the agreement. And there's agreement on the process for coordination of public and private urban design activities during the tier one activity. Contracting provisions, the minority women and emerging small business and prevailing wage terms are relatively unchanged, except the work force diversity goals are equalized with the prevailing wage goals, and it establishes a new set of goals which are contained, including specific numeric targets that are contained within the exhibits, I think, one, two, and three to portions of the agreement. It's a new policy for central district public and private projects. Its purpose to permanently increase employment of minorities, women and disadvantaged people in the Portland area. Construction trades and professions. And with our intention to continue to work with the construction trades on achieving similar goals in similar areas under the same terms of this agreement. It's a cooperative strategy. The development agreement parties, the construction contractors, the trade unions, have stepped forward, and agreed to the strategy, and in my opinion it is one of the most, if not the most, important feature of the changes which have been made to the development agreement. The goal is for 35% participation within 10 years. We establish phase targets. 20% for ethnic minorities, 15% for women. It provides for an increase in union apprenticeship enrollment and journeymen completion rates it provides for metric based work hour measurement and the execution of commitments from the trade apprenticeship programs. I think I can say Commissioners Webb and Wilson, the trade unionists, the da agreement parties all came together and worked pretty hard on this. This is responsible for obviously working to the last minute, because it was just that complicated and difficult, but I think we're there. That's an overview of the agreement. I think that on specific components, which i'm sure you'll have questions, we need have to other parties up here to explain their piece of this puzzle.

**Katz:** Ok.

**Mazziotti:** Thank you.

**Noell Webb, Commissioner, PDC:** Hello, everyone. Thank you so much for having us here. I suppose you want to talk about the work force.

**Katz:** Yourself first. And the answer is yes.

**Webb:** I am Noell Webb and I'm one of the Portland development commissioners.

**Katz:** Go ahead.

**Webb:** And basically I just really wanted to emphasize the excellent work that our staff completed for us to be able to present this work force strategy piece. I think our executive director hit a couple of the highlights, but I actually wanted to address, really, in my opinion, what are the most important points here. I think if you look at this based on a living wage, if you think of a single parent, for example, who is currently making \$8 an hour, who has an opportunity to go through an apprenticeship program, and at the end of that apprenticeship program there is the opportunity to earn \$25 to \$35 an hour, that is a significant impact on that family. This parent is now in a position

June 10, 2004

to provide medical coverage for kids, perhaps purchase a home in the city of Portland. These are opportunities that would not be available if this was not -- if we did not include this work force strategy in this particular amendment. So we --speaking on behalf of my fellow commissioners, we're very, very thrilled that our partners, the trade unions, have agreed to include this language. Now one of the other important points that I want to stress here, this isn't just a hope and a prayer. Our partners have agreed that they will talk with their construction companies to try and include some language possibly in their contracts, so that this is really enforceable. It isn't just numbers on papers. This is a reality that we can hope for in the city of Portland. Hopefully it will be a model that p.d.c. Can include in their other projects. So it's really a significant -- some significant work that is done here. Our staff, which i'd like to point, anthony lincoln, who worked on this project, cheryl twete, and chair hennessy was very significant assembling all of our partners in a final meeting that allowed this to come to fruition. Are there any answers we can answer for you?

**Francesconi:** We need your further help. P.d.c. And chip and don have been very good, but we have the transportation projects, the light rail, the streetcar, widening of i-5. So fred hanson and bruce warner and I are working on a similar strategy on the similar side. We have p.d.c. On one side. Then we have the city over here with our other infrastructure. And there's a lot that we can learn from the work you've done, but we've got to bring them together because -- or else, you know, you'll have a set of goals and being met on one project, but then you got these other things, and everybody's got to be whipsawed. We need to have a unified strategy. That's where we need your help. We don't need to get into it now in great detail, but i'm just saying that we're not yet, because we have to integrate these processes.

**Webb:** I agree, absolutely. If i'm allowed to just make one comment. One of the things that you'll see in the exhibit is that there's a second table that -- that relates to journeyman status. The only way that you can accomplish journeyman status, is that it includes all of your hours from all projects. So whether you're working for tri-met or intel, those numbers will count towards your journeyman status. So as we see that those numbers are increasing, then what that says is that the people that are participating are working everywhere. So the union has an opportunity to solve all of their problem. So we're not looking for all of the minorities to be concentrated on south waterfront. That is not the expectation here. So if there's a tri-met project, there should be enough people to go around, that we're able to satisfy the needs for diversity as well as improve the livelihood of the people who are participating. So I really think it's a unified strategy. I'd like to talk further with you about it.

**Francesconi:** Would that be great.

**Katz:** Noelle, thank you for being so tenacious on this. It fell through a couple of times.

**Webb:** As I said, our partners came to the table. The trade unions clearly came to the table. The bottom line is this is a good social strategy. And also it's good business, just based open the demographics world. It's changing, and eventually there won't be enough caucasian males to fill all of the jobs with prevailing wage.

**Katz:** You hear that? Anybody else want to testify?

**Moore:** On the public sign-up?

**Katz:** Yeah. Come on up.

**Katz:** Wally, go ahead.

**Wally Mehrens, Columbia Pacific Building Trades Council:** Good afternoon. My name is wally mehrens, executive secretary of the columbia pacific building trades council. And I didn't write anything that Noell said. That wasn't me that authored that, but i've been saying for a long time.

**Katz:** That you're going out of service?

**Mehrens:** No, no.

**June 10, 2004**

**Katz:** You're going to be extinct?

**Mehrens:** I hope not. On the south waterfront development agreement, as I stated yesterday at the p.d.c. Meeting, i'm glad that p.d.c. Has recognized that it is the union apprenticeship and the union contractors who do the vast majority of training for the construction industry. I'm glad pdc has brought forth an agreement that will assist the union construction industry in attracting and increasing the members of women and minorities in the trades that should equal the demographics of our community. The union apprenticeship programs have tasks to perform during the build-out of south waterfront. That's a 10-year plan. Union contractors have to ask to perform, hire the targeted population and give them on the job training opportunities, negotiate a strategy to build a pipeline and programs to ensure qualified target population is directed the union apprenticeship programs to meet the requirements of this agreement. Read in the fine print, provide some money. P.d.c. Representative anthony lincoln stated this agreement will be codified. I understand this to mean pdc, developers, contractors will sign a contract for the duration of this program. My concerns are can't limit women and minority members to just this project. We can't circumvent legally established and binding hiring procedures, require a set of -- set number of women and minorities on a single project or projects. As noelle said earlier, we need to get this message out throughout the industry. And other concern is, not getting to see the copy of the agreement before the p.d.c. Meeting yesterday. I was a little concerned. And one of the things that we -- that happened in this process that I don't think we should allow in the future is this weren't really any contractors involved. They're the ones doing the hiring. And what I disagree on, we've had this discussion since last summer, is that the assumption that the project itself is not a prevailing wage job, but other than I think it's a good agreement, I think it will go a long way to doing what we started or attempted to do july 28, 1997, and haven't quite got done yet.

**Katz:** Thank you, wally.

**Elizabeth Beardslee-Folsom:** I'm elizabeth beardslee folsom. First of all, i'd like to thank the staff and p.d.c. And especially nicole webb and janice wilson, because we went above and beyond the call, I believe. They've done a great job. I'm here as a tradeswoman and representing Oregon tradeswomen. We are in favor of this amendment. And we feel this is a milestone for not only women and minority, but the city of Portland. And i'd like to see all p.d.c. Work sites to be prevailing wage. I'd like to see all contractors be registered as training agents. And i'm very tickled about requiring diversity of 35% for women and minorities. And I would like to see some funding on this project to help that also. And i'm very happy about affordable housing, because all people are not paid living wages. I've been a journeyman pipefitter since 1980 and journeyman plumber since 2000 with local 290. Unfortunately with the economy the way it is, I have worked six months out of the past two years. And i'm not the only one, you know, in this kind of situation. So i'm very happy about looking forward to this and would be happy to not only work on the project, but be happy to try to get other women and minorities involved, because I was involved with our trades fair, women trades fair, our training center, and we were very fortunate to host it. And personally, I gave my phone numbers to four women and minorities just so they could call me, because our -- our applications are opening up next week, and I wanted to help them in anyway I could to get what they needed so they could get a high enough score to get into the trades. And I know that not all people are for this, but I hope these -- you know, their situations can be resolved, because this is really going to help the economy and it's really going to help women and minorities to get into the trades. And i'm really excited about that. Thank you very much.

**Katz:** Thank you. Joe?

**Joseph Voboril, Tonkin Torp:** Mayor Katz, members of the council, my name is joe voboril, a partner in the tonkin torp law firm in Portland. I'm here this afternoon representing our clients, z.r.z. Reality company and zidell marine corporation. Both of these entities are owned by members

**June 10, 2004**

of the zidell family. Z.r.z. Reality company is the owner of approximately 33 acres located immediately to the north of the project area described in the development agreement. Zidell marine corporation's headquarters and its barge operations are located within a few blocks of the proposed eastern terminal of the tram. The zidell family has been a supporter of ohsu's expansion to the waterfront and of the tram in particular. In fact, jay zidell, the president of zidell marine corporation, has been a member of the pati board since its inception and loaned it \$75,000 to help fund the design competition for the tram. While the zidell family continues to support this project, within the last few months they've been presented with proposed assessments for the tram and the streetcar local improvement districts and frankly they've been shocked by the magnitude of these assessments, particularly in view of the fact that it will be many years before any benefit will accrue to the zidell property as a result of these public and private expenditures. Since it's clear in the development agreement that these local improvement districts are a critical component of the total financing plan, our clients have decided that they have to speak up now. They thought it would be inappropriate to remain silent, allow the city council to adopt the financing plan, and then challenge the local improvement districts at a later date. It is apparent that because of the way the development agreement is structured, the assessment methodology that will necessarily result from implementation of the development agreement will shift a disproportionate amount of the assessments to the zidell properties. And furthermore, once the development agreement is adopted by the city council, we believe the city will have irrevocably committed not only to the formation of these improvement districts, but to the many special provisions in the development agreement which benefit only the parties to the development agreement. We believe those provisions, which I've cited to you in my letter, are in violation of the Oregon statutes that govern the formation of local improvement districts, as well as chapter 17.08 of the city code. I'm submitting a letter and you have it in front of you that states in more detail our client's concerns. While we recognize that there is a desire to proceed with haste on this matter, and this is for the most part a great project, we ask that you defer taking action on those portions of the development agreement that pertain to the creation of local improvement districts and in particular to those provisions in the development agreement that provide special benefits and protection, but only to the parties to the development agreement.

**Katz:** Thank you.

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

**Katz:** I'm going to need -- abe or don, not right now, and then matt, you or somebody else, needs to respond, because you also have a letter here from pdot in response to zidell's letter.

**Francesconi:** Just briefly, mayor, and joe, first I have the highest regard for your client who has a terrific vision and cares a lot about the whole city as well as south waterfront. And we really -- I really appreciate what he's also done in regards to the pati board and the tram of which i'm also a member. So I personally watched his participation in this, but i've gotten personally involved in this issue. I met with your client twice. I didn't know you were involved at the time, i'm not sure you were, and i'm in charge of pdot, who at my request I sent abe farkas and matt brown to meet with you.

**Voboril:** Not with me.

**Francesconi:** I'm sorry, to meet with your client, who I have the highest regard for, which ended up generating this letter. I'm disappointed, because the truth of the matter from my perspective is that your client is going to benefit from this development in terms of increased property values. And this is a fair l.i.d. Assessment from my review. So you have your options and you have your rights, but i'm frankly disappointed. Now having said that, i'm hoping we can get over this and we can still find a way to resolve it. And he would like to personally be involved if it can help.

**June 10, 2004**

**Voboril:** I could explain quickly why we do not believe it fair, but I don't imagine you want to give me the time to do so.

**Leonard:** I was going to ask you that question. I was going to ask you how in the world this doesn't increase the value of your property. So take the opportunity to answer the question.

**Voboril:** Two parts. I'll first answer the question regarding value, and then i'd like to speak to another point, if I may. First of all, in terms of property values, there is such a huge -- there's such an investment in public subsidies going into the project, south of gibbs, that's in the project area, and the development that is going to occur, which is terrific, is going to -- it's going to take 15 to 20 years of absorption for the zidell properties to benefit from the public and private expenditures that are going into the project area. It will take 15 to 20 years. Right now zidell has a barge operation there. They've got their corporate headquarters there. They're on the north of gibbs, located within a few blocks of the eastern terminal of the tram. Ok? Under the development agreement, the parties to the development agreement, have negotiated caps on how much they can be charged. So north of gibbs, the zidell property, which is a barge operation and offices, right now the assessment that they've been presented with is \$2,173,000. South of gibbs, north macadam investors, which is building apartments and condominiums—do you know what their assessment is? \$1,395,000. \$800,000 less than a barge operator and somebody with their corporate offices. I ask you if that's fair.

**Katz:** Ok, all right. We're going to get back and have further -- i'm making notes on everything that's been raised. Ok, anybody else?

**Katz:** Ok, somebody grab the mike.

**Scott Montgomery:** I'm scott montgomery, 1531 southwest upper hall street, Portland, Oregon. I'm vice-chair of the Portland parks board. I was pleased yesterday to attend the Portland development commission meeting that addressed the third amendment that has been passed by them and is moved on to you for action today, I hope. We were very pleased that included within the third amendment was sufficient funds, t.i.f. Funds, available for acquisition of an approximately two-acre site for use as a neighborhood park. I'm sure you're aware that the local neighborhoods there are frankly deficient in parks, and so this would be a very positive move to have a completed park located there. I understand that there will be 10,000 employees as the project is built out, and approximately 3,000 housing units. So you can see that the demand will increase substantially for park space. I would also note that outside of the amendment there are plans for a 3.4-acre park up near the bridge, and also there's 13.6 acres, I understand, of greenway that will be subject to a public/private partnership. So these things are all significant, I think, in terms of providing livability for the neighborhood as it is eventually developed. The process I understand has been involved, over the last eight years, so it's been a long, long-term project, and we're really pleased that the t.i.f. Funds are available to provide acquisition of the site. With that I would ask that you make sure that you protect our park as you consider the amendment.

**Joey Pope:** Joey pope, member of the parks board and the parks foundation, same person, similar message. Five points i'd like to mention. First of all, though, appreciation to the Portland development commission and to you all for your concern about open space. Point number one, I am a native Oregonian. As many of you, i'm sure support strongly Oregon's urban growth boundary, land use concept, however I feel that it will not work unless we do as you have done with your leadership and p.d.c., consider what goes on with inside the urban growth boundary. With a decrease in the size of back lots and -- or backyard lots and the decrease in open space, vacant lots, we cannot just keep stacking dwellings, one on top of another and consider that we have preserved what Portland is. Number two, i'm thrilled that this plan has considered parks and open space at the outset, not as an add-on, not as an extra. I think this is the least expensive way to go, and we will have a better product for it. As matt hennessy said yesterday, we got here because other people



**June 10, 2004**

cared before us. So it is important to protect this land now, which we're doing and you're doing. Thirdly, as you know, land near open space is of more economic value, and therefore has a higher tax potential and therefore has a higher potential of cost recovery for surrounding developments. Four, while everyone benefits, everyone from parkland, whether they use it, whether they just look at it, the less affluent among us probably benefit more, because they have more -- fewer opportunities to get out into what the urban growth boundary is protecting, therefore I think it is particularly important that we remember in areas that are underserved, and this is underserved now, it is expected to have 5,000 residents soon, it is particularly important that we preserve this land. That's it. Thank you very much.

**Katz:** Thank you.

**Barbara Walker:** My name is Barbara Walker, 1891 Southwest Hawthorne Terrace. We're sitting up here, three people with passion about parks. I want to tell you beyond my passion, why I've been so thrilled during the 10 years of this evolution, from the beginning there has never been a question that we would have both parks and affordable housing and we would go for it in cooperation. That I think is phenomenal. I haven't seen that in any other project until this. The next thing is that it doesn't matter whether it's the neighborhood people, the -- not in the current neighborhood, they're not this yet, but in the future, a part of this, or whether it's the developer, the landowner, those of us doing one kind of recreation or another, there's been a true commitment to this park presence within this neighborhood. Everyone recognizing that you can't have the densest area in the state and not have parks there. The final thing is, this needs to be done now because until you have public ownership of this neighborhood park, no one is certain where it will be. And there can't be the development that will generate the t.i.f. And keep the momentum going. So it's a very wise thing to put the money into this one first, generate our t.i.f. Develop it after the people are there as we also are developing with the work we're looking for our affordable housing as aggressively as we can. Thank you.

**Katz:** Thank you.

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

**Katz:** There was a question regarding additional system charges from pdot and a question regarding energy tax credits. Abe, why don't you come on up. Then I need conversation on the l.i.d. Costs for the Zidell site. That's you, Abe.

**Matt Brown, Office of Transportation:** Ok. Matt Brown, Portland Office of Transportation. The system development charge money that's coming into the third amendment is essentially tapping the total amount of dollars that have been allocated to South Waterfront. We only tapped about \$4.8 million of that before. So we're tapping additional to put it in. The money is not actually going into the tram project directly. We're putting it into the street projects, which in turn will free up the t.i.f. And that will be used to supplement the tram budget. So that's kind of how the money is working. We're not having to readjust the program or anything, it's just a matter of kind of using the allocation for South Waterfront fully.

**Leonard:** Thanks.

**Katz:** Ok, energy tax credits.

**Vic Rhodes, Portland Aerial Transportation:** Yeah, Vic Rhodes, Portland Aerial Operation. Mark Gardner and I have met a number of times regarding tax credits on the operating side. We plan on spending about \$915,000 a year on operating. We've been assured by the staff that that money qualifies for energy tax credits, which drop at the rate of 37%, and they're discounted and resold at 25% rate. D.O.E. has indicated to us they're willing to capitalize that, to bring those tax credits on line up front and that's where the \$2 million comes from on the operating side. We're still pursuing it and think there's reason to believe that some portions of the capital side budget can also qualify for energy tax credits, but we're not quite there yet.

**June 10, 2004**

**Leonard:** I'm curious, because it's owned by ohsu, the tram?

**Rhodes:** No. The tram will be owned by the city of Portland. Pursuing these energy tax credits is a cooperative effort of PATI, the City, OHSU...

**Leonard:** I mean whether it's the city, ohsu, governmental entity, how do we get tax credits?

**Rhodes:** You get a tax credit, but you're not a taxable entity. The d.o.e. turns around and sells it to a taxable entity at a discounted rate.

**Leonard:** Thank you.

**Katz:** Zidell -- can you comment on the whole zidell matter and the l.i.d. Costs, their information in their letter to us, and the information from you and matt brown to --

**Leonard:** If I could narrow that just a little for the purpose of my question and the response that I get -- that I got was the formula, I believe, they're arguing is unfair.

**\*\*\*\*\*:** I appreciate that. I think i'm going to turn the l.i.d. Over to matt, who is the czar of l.i.d.

**Brown:** For today at least. First of all, I want to correct one thing Mr. Voboril portrayed to you. He did not give you the full picture of the assessment that's happening south of gibbs. R.c.i. And NMI Are the developing parties who are associated with this agreement. They are paying \$2.4 million for the l.i.d. For the tram. So it is an apples to apples comparison here. The methodology that we laid out essentially picks the tram landing as a starting point and then goes from there and assess based on distant from the tram. So the block directly to the north of the tram landing is assessed at the same rate as the block directly to the south of the tram landing. Seems very fair. They're both going to benefit from that improvement to the same extent over time. We need to look at what the highest and best use of property is when we determine how much a property benefits from an improvement.

**Leonard:** But he said there was a cap on --

**Brown:** Ok, let me talk to that issue now. The development agreement in exhibit k talks about the maximum l.i.d. Amount associated with the NMI And r.c.i. Properties. Again, it's a little backwards here in terms of what was presented. That amount was in there, and basically it takes away the rights of NMI And r.c.i. To participate or remonstrate against the l.i.d. Up to that amount. It doesn't mean we can't propose a l.i.d. that goes beyond that. If we do, they have their rights to object to the formation of an l.i.d.

**Leonard:** Have we done that? Are we proposing one beyond -- one property owner doesn't pay a different rate based on a formula?

**Brown:** Correct.

**Francesconi:** What about the argument that one benefits sooner than the other?

**Brown:** Again, you have to look long-term at the highest and best use of the property. In my opinion, and it's just not my opinion, we've also run economic analysis in the past, eric hovey did an analysis for us last summer, demonstrating that given these kind of levels of investment in an l.i.d. That you could get returns on that investment, in the case of the zidell scenario, somewhere in the neighborhood of \$27 to \$63 per square foot depending on the density that would come along at a future developemnt. There's an economic rationale, does it happen right now, today? They're probably not ready to go today.

**Leonard:** That's their choice, because of where they're at.

**Brown:** There's nothing that I believe we're doing that prevents them from pursuing their development plans. The other thing I would say is that there's an implication that the improvements that we're building in this district benefit only the central district. Again, I think that needs to be corrected. Streetcar coming from the north, from riverplace down to gibbs, directly will serve the schnitzer and zidell properties on its way getting to gibbs. The tram will serve either side of the alignment. We're building district capacity improvements and bringing utility improvements not

**June 10, 2004**

just to serve the Central District. So there are improvements and investments being made that everyone is benefitting from.

**Leonard:** It would be helpful for me to have the Zidell attorney come up here. So we're all on the same page at least in regard to the facts.

**Katz:** Ok.

**Leonard:** Then we'll make a decision. Joe, do you agree with all that was just said?

**Voboril:** No. I will accept the premise that if given time local improvement districts that are provided to an area will increase property values.

**Leonard:** I don't mean to interrupt, but let me ask you the question that's on my mind.

**Voboril:** Sure.

**Leonard:** You said earlier that there was an unfair formula and a cap on those south of Gibbs is going to pay, he's saying that's not accurate, that's only for some other remonstrance purpose, is he describing accurately what the agreement says?

**Voboril:** It's true they've agreed in the development agreement that they will accept assessments up to a stated amount in exhibits k, 1 through 6. I did not appreciate, and it may be true, that that does mean they have a right to remonstrate if it's above that amount. The problem is, they've combined the l.i.d.'s, the north macadam l.i.d., the south waterfront l.i.d., which used to be \$4.5 million of the south waterfront area. The parties have agreed it will go to \$7 million and combined it with the Marquam Hill l.i.d., which is 12.

**Leonard:** That's different.

**Voboril:** The point is --

**Leonard:** He described there was a value in terms of the assessment of the l.i.d., and one block south of the tram, and there was a --

**Voboril:** Commissioner Leonard, can I get to that next? What I'm telling you, it is true, to the parties to the development agreement have the ability to protect themselves on the caps in the l.i.d., that they've stated in the agreement. If the council approves it, you've committed to that l.i.d. If it goes above, the parties may remonstrate. If it goes below, they've contractually agreed not to remonstrate. What about Zidell? When they agreed, the parties sitting in a room, not in a public hearing. The parties decided let's go from \$4.5 million to \$7 million on the south waterfront. Zidell didn't get to participate in that decision. The parties made it in a closed room. Now they've all agreed and the city's going to bless it. When you get to the assessment formula who do you think is paying part of that \$2.5 million increase that Don Mazziotti put on the sheet? Zidell is. He didn't get to participate in that discussion. He wasn't in the room, nor did he have a chance to discuss it before you, and he won't until you have your l.i.d. hearing, and that's coming up in July, but you've just committed here to do it, you've blessed it. The financing package relies on it. Now the methodology, yes, they've done it as the crow flies. It's \$5.85 a square foot if you're essentially within two blocks of the end of the tram. As you peel off, it drops to \$1.95, peeling off meaning more than two blocks. If it goes beyond that, it's zone c, I believe, 73 cents a square foot. I gave you the number. I didn't mislead you, Matt. I said, that if you look the assessments within zone a and zone b, Zidell is all zone a and b, which is \$5.85 for his barge operation, and zone b, everything else he has, is \$2,173,000 for the tram. I said north macadam investors -- let me answer the question -- was \$1,395,000. That's a true statement. I don't believe that is fair. You can't do it as the crow flies, when you have at the end of the tram on one side of the street, you've got a 400,000-square-foot office building going in on day one --

**Leonard:** But that's a different point than you originally made.

**Voboril:** I made two points.

**Katz:** Matt, did you respond to that?

**June 10, 2004**

**Brown:** Just the one issue that he would address, is that I think earlier in the presentation on the development agreement, don described the shift from the \$4.5 million originally proposed for the \$7 million. What we did was, in the process of getting \$2 million from odot for the macadam avenue improvements, there was a \$2.5 million l.i.d. In the development agreement for macadam avenue proposed. We erased that out of there. That's no longer in the development agreement. We shifted the \$2.5 million to \$7 million. Net I would say we're still talking about \$7 million. Looking at the assessment methodology, then, what's happened is that because the benefits of the tram are different than the benefits of the tram on macadam avenue, zidell is paying more than they would have originally by about \$350,000. That's gone up, i'll admit that. But you're talking about here \$2.1 to \$1.8 or \$1.7 is about the range with the properties.

**Katz:** Abe?

**Abe Farkas, Portland Development Commission:** Thank you, mayor. I wanted to address very briefly the value issue. This city has never built a tram before, so we don't have history on values. However, we've done l.i.d.'s in the past four streetcars. P.d.c. About a year and a half ago did an assessment values that were related to streetcar construction through the core of the city from northwest 23rd to p.s.u. On average, within 18 months after the streetcar was completed, properties within a block of the streetcar increased in value between 30% and 40%. Again, it's not a tram, I understand that, but --

**Leonard:** Which is why they should pay for the operation of it?

**Farkas:** We had an l.i.d. And public improvement that did enhance the assessed value.

**Leonard:** Could I have a copy of that report?

**Farkas:** Absolutely.

**Sten:** I had a question for matt, unrelated to these. Is that ok? It's a more general question, matt, and gets at a couple things on the docket today, but I think for me at least part of the development agreement is actually not in the development agreement, which is the agreement with the neighborhoods. And when we approved the tram quite a while ago, what was critical for me, you know, often there's an argument that you can get something that's good for everybody. I don't think the tram is good for everyone, but the plan was to really try and build the tram as part of transportation improvement package that included a pedestrian bridge, included some reworking of the signals. I won't go through the whole list, but there's a whole series of things built off a transportation plan. I think i'd like to see if I can get an update on how does that whole piece look as we're going into voting on this one piece, because to me it's part of the whole package even though it's not part of the development agreement.

**Francesconi:** That's why we have all that. It's all outlined in one of the items that's coming forward. I think that's one of the reasons that the mayor withheld voting on this until we outlined it all. I agree with commissioner Sten, and this is why this is in the report.

**Sten:** That's fine. We're not voting on the l.i.d. I thought we were taking questions in general. That's fine if you want to hold it until the next piece.

**Katz:** Thank you. Commissioner Sten, you have an amendment. Who's dealing with the housing amendments?

**Sten:** I'm going to offer -- there's some copies floating around for people interested -- pretty simple amendment to section 9.24 of the development agreement, and it's the language that's crossed out, there's a relatively long and I thought unnecessarily confusing clause that essentially says that if NMI Sells property to the city of Portland they will get credit for the potential of housing, whether it's built or not. And I just wasn't comfortable with that. I'd like to -- they should get credit for affordable housing that's built on that site, but I would like it to be housing that exists. I got into a long conversation and essentially the gist of it is their concern was if we were to buy a site from them, and what is very likely it took us four or five years to develop the affordable housing, and

**June 10, 2004**

they were in the process of developing housing in other parts where they were required to do affordable housing, how would they know how many units to count? I feel both sides are working in good faith, I'm proposing this should be done in the open, simply to replace all of this formula, which I could not understand, probably is a great formula, I just couldn't understand it, to say p.d.c.

And NMI Will negotiate and agree to the number of units that will count toward their additional affordable housing obligation. I do think the idea to sell us land right now is a very good change, because frankly we don't have the money until the district moves forward to build the affordable housing. So we'd miss the opportunity to do the affordable housing. I'm just saying let's come up with a fair agreement as to what they get credit for as opposed to a calculation put together in good spirit, but if after an hour I can't get it I certainly can't explain it to the public.

**Katz:** Ok on? Yeah, ok.

**Sten:** And thanks to Cheryl for helping me work on this.

**Katz:** All right. I need a motion on the housing amendment that commissioner Sten just proposed.

**Saltzman:** So moved.

**Francesconi:** Second.

**Katz:** Any objections? Hearing none, so ordered. [gavel pounding] I need an amendment on the document to the work force which updated the numbers. Do I hear a second?

**Saltzman:** Second.

**Katz:** Any objections? Hearing none, so ordered. [gavel pounding] I think we took care of all of the issues. I want to vote on it as a package and if something will fall apart in the next hour or two, I need to come back to p.d.c. And talk about how we can maybe deal with it in the following week. I don't know that's what I want to do, but I predict there will be some conversation as we move along. All right, let's read 673, 674, 675.

**Items 673, 674, 675**

**Katz:** Before we go ahead, please indulge me, commissioner Saltzman has his daughter graduating. Family first. So he has an amendment that he probably needs to hear from the major players on this. And then we'll move on.

**Saltzman:** Ok. Thank you, madame mayor, members of the council. This amendment has been circulated to you previously, and I know Matt and Pat have seen it well. I'll introduce it briefly so we can have testimony, but it relates to what I believe was a promise made by the city council way back when, when we first started discussing that, to the impacted residences on Southwest Gibbs Street, and that is to offer a fair mechanism by which we would, if they choose to sell their property, that we would purchase those properties, and this amendment does exactly that, it asks for the -- it's an amendment 673 -- it asks that the city council directs the city engineer to pursue and bring back to council for consideration a fair market value, one-time limited term property buyout program based on an independent appraisal for owner occupied residential properties along Southwest Gibbs Street alignment. As I said, I think this is a commitment that we made a long time ago. I think it's a promise made, and this is an opportunity to make that promise kept. I would hope that we would adopt this amendment at the appropriate time, hopefully before I leave.

**Katz:** Ok. Do you want to respond? Hi. Nice to have you here. You don't need to respond on that amendment.

\*\*\*\*\*: We like yours.

**Katz:** Matt, and where's Don?

**Brown:** Matt Brown, project manager, Portland office of transportation. We wrote the resolution without that specifically, you know, excluded that from our resolution as a recommendation. Primary purpose for that is really looking out to the future and trying to understand what implications may be for public works projects down the road. Are we going to set ourselves up or

**June 10, 2004**

continually asked to compensate property owners for real or potential impacts associated with projects. So we felt that, a, we want to be careful about the policy implications down the road, on what it could mean for other projects. B, we think we've tried to work in a spirit with the community where we were bringing the whole community up, kind of with the project, and not singling out any individual person or property owner for special treatment here. So the main intent here was to improve the quality of life in the entire neighborhood, including residents and property owners along gibbs street. We think our plan does that in a way that kind of makes -- makes that -- that portion -- or that recommendation really unnecessary in a way. So that was the basis for our -- for our recommendation and the way that we wrote the resolution, and i'm sure we'll have more discussion about it as it goes on, you know, some folks will be testifying on that as well.

**Francesconi:** Can you do me a favor, help me out here, can you point me out to the part where it is in the report? You talk about this in the report. Where is it?

**Brown:** I believe it's section 5.7.1. I'll grab a report here in a second.

**Saltzman:** 5.77, yeah.

**Brown:** I think it's -- it's there, and then it's also referred to under section 5.8.1, which is property value impact analysis. Again, it outlines a few of the potential approaches that the c.a.c. Felt we should consider moving forward.

**Saltzman:** My amendment doesn't track exactly what the cac recommends. We're not offering to compensate owners for long-term diminishment of value. This is a one-time deal, 30 to 60-day window of opportunity where if you choose to sell, based upon concerns of the tram, which again you may be worried about the precedent, but to my mind we haven't built a tram before and this may be the only tram we build, and the impact of having something above you, may be disturbing enough, certainly concern enough to the council when we first started discussing the issue, I thought there were head nod that something like this should emerge in our final negotiations.

**Francesconi:** I don't know what time you have to leave, but --

**Saltzman:** I've got time, 45 minutes or so.

**Francesconi:** I knew there was four different alternatives. So you're recommending--

**Saltzman:** A one-time buyout really, a little different than that report. It doesn't talk about any kind of ongoing compensation scenario, where you could not sell your home but receive compensation from us.

**Francesconi:** The 30 to 60-day window, I was going to ask you what length of time.

**Saltzman:** I didn't specify it, but the amendment speaks to a limited term, to me that means a 30 to 60-day window. We're leaving that up to the city engineer to flesh out the details, but I think a 30 to 60-day period.

**Francesconi:** See, and i'm going to, at the appropriate time, second the motion, and the reason is I understand the concern about precedent and I know once you open up a little crack, precedent can change, but for two reasons, one is the issue of -- we don't have any other trams here, and if it's a limited group, where the tram is going overhead, given the nervousness of the neighborhood and these 30 or 40 or how many residents, and if it's a limited window with a very specific provision, so that's one reason i'm going to second the motion. The second -- at the right time -- the second reason was I do think there were head nods, including mine, at the time of the council hearing. So for both of those i'm going to second this limited motion. But I want to be clear that I understand the potential precedent here, and we can't be going there in most circumstances.

**Katz:** Go ahead.

**Pat LaCrosse, Portland Aerial Transportation Inc.:** Your honor, members of council, i'm pat lacrosse, chair of the Portland aerial transportation incorporated board. I'll deal with this issue and come back to my other comments in a minute. In my comments, the pati board unanimously voted to adopt the citizens committee recommendations, with one exception, and that exception is the

**June 10, 2004**

recommendation regarding property owner compensation. It was felt that this recommendation was inconsistent with the efforts to improve the quality of the neighborhood and that scarce resources are best used for the benefit of the overall neighborhood. We also felt that this decision, however, was really more -- was a more appropriate one for city council than pati. We're a nonprofit. We have no resources, other than the resources that are being lined up to build a tram itself. So I would urge you, if you do vote for this, to consider the issue of funding resources and where that's going to come from and how it would work.

**Katz:** Let me ask a question on this. How do we differentiate this particular issue from the imax on lombard and all of those businesses and housing residences, who have been negatively, as they would view it, negatively impacted by the light rail?

**Brown:** Well, I think that's really the part that concerns us. I mean, as commissioner Saltzman has pointed out, I mean one easy way is to say this is for aerial trams and not for other stuff, and you can kind of differentiate it that way. I think it's more the precedent about what are the expectations in the neighborhood when you bring a public project forward that may have impacts. In some cases, you know, people may be looking for an opportunity to take us than on that kind of -- take us up on that kind of offer and use it in that way. You know, it's always council's prerogative to kind of make that decision, I guess, on a case-by-case basis, it's just, you know, those conversations will begin to occur a little bit more frequently. You know, part of the challenge of --

**Saltzman:** A track record of assessments -- of property value assessment on light rail lines that we don't have frankly with a tram, aerial tram. That would seem to warrant that there isn't a concern that property values will diminish on light rail.

**Katz:** Ok. Commissioner Sten, do you have a feeling on this?

**Sten:** Well, i'll listen to the testimony on it. My instinct is no, I think the precedent is too much, and I don't know how it would operate, and i'm not convinced that there isn't a market for homes at the price that they're worth without the city getting into the buying and reselling business, so I lean against it at the moment.

**Katz:** All right. Commissioner Saltzman, give me a window of 10 minutes before you have to leave. What time do you have to leave?

**Saltzman:** I have till about 5:30.

**Katz:** Ok, good. We'll take this up.

**Brown:** Good afternoon. Again, matt brown, Portland office of transportation. I just want to introduce very briefly the items in front of you today.

**Katz:** Why don't you introduce the person sitting next to you.

**Brown:** I was going to let pat do that, but i'm happy to do that in a second. This is sara graham. I'll let pat introduce her in a second. In may 2002 city council approved a process for considering a suspended cable transportation system. That process contained essentially four main steps that we've been involved in, project assessment, policy evaluation, design development, and final design construction. The process called for council at the end of each one of these steps to render a decision on the project to keep it moving forward, if that's -- if that was the decision that council decided. And really this was set up as a city engineer standard improvement process in the right-of-way, where we would work with affected property owners, residents, communities, the design commission, historic landmark commission on the design of the project as it evolved. We completed the project and policy evaluation phases in july of 2002. We presented to you in november of 2002 the design development phase, the phase we're in right now, and today these items that are before you wrap up that fourth major phase of this process, which is the approval of the design of the tram and associated neighborhood improvements. Real quick, the three items in front of you, then, the first is the resolution to approve the design of the project, to endorse the recommendations of the c.a.c., and to direct us to begin implementations of those recommendations.

**June 10, 2004**

The second is the resolution of intent for the formation of the local improvement district. Again, it's really just a procedural matter of setting the hearing date for a local improvement district formation hearing out in the future. And then the third is an ordinance with pati to essentially complete our design services for the project through the end of the year. With that, what i'd like to do is turn it over to pat lacrosse, the chair of Portland aerial transportation, inc.

**LaCrosse:** Thank you, matt. Good afternoon again, mayor and members of council. I'm pat lacrosse, president of the Portland aerial transportation incorporated, the p.a.t. I. Board. We recommend your favorable action on the items before you today. I'd also like to note other members of the Board who are here today: Barbara Walker, Mike Lindberg, Steve Stadum, Nancy Steuber and Greg Baldwin. Our board meets monthly to review progress on the tram and has been doing that for two years. We're all volunteers. In a moment i'll turn it to over to sara graham, our tram architect, but before that i'd like to take just a further moment to comment on the citizens advisory committee. Our board commends the excellent work done by the c.a.c., and with the terrific help of both matt brown and art pearce. This committee was not assigned an easy task. They've invested a great deal of time to bring to you today a consensus recommendation for improvements that will create lasting value in the neighborhood and begin the healing process for the wounds suffered over the years in the name of transportation. Projects such as the implementation of the south Portland circulation study, traffic calming, and pedestrian improvements in general will go a long way towards reuniting the neighborhood and ending its division in the name of transportation linkages. Of significance is the pedestrian bridge over interstate 5 that will join the neighborhood with the greenway and with the willamette. This is critical to the effort to provide a continuous pedestrian connection from marquam hill to the river. And in a moment sara will share with you her concept for that design. We urge the council to consider adding to the existing resources for these -- set aside for these improvements, and to move ahead with them as soon as possible. Finally, one last note, this is my last appearance as president of the pati board. It's your great pleasure to see from here on mike lindbergh, who will take over as chair of the pati board in july. I will stay on the board and remain active to see this project to a successful conclusion. Unless you have questions of me, i'll now turn it over to sara graham.

**Katz:** Sara, nice to have you here.

**Sara Graham:** Thank you. Mayor Katz and council, our role here is simply to try to bring people from the top of the hill to the bottom of the hill in the best way that we can. And what i'd like to do is go through quite quickly actually some of the images that represent where we are on the design of the project. From the outset we were working with the idea that it's not one aerial connection that we're designing, but it's three. The connections are, of course, the air connection, a land connection, and a green connection, and that matters because it interfaces directly with the work that matt is doing with the neighborhood improvements. Looking at this aerial view of this part of Portland, we want to identify with a blue dot the tram landing at the top at ohsu. The line of the tram that's roughly parallel to the ross island bridge, to the station at the bottom of the hill in the gibbs alignment. Adjacent to that is the location of the proposed pedestrian bridge, as well as what we're calling the gibbs right-of-way, which is a public space eventually to be designed, reaching all the way, then, from the top to the willamette. And here i've overlaid on to that the current design of the project, so it is, of course, various relatively small pieces that extend over about 3/4 of a mile. If I begin at the top, on the left of your screen, we have, in conjunction with ohsu, we've been working under separate contract, but nonetheless working to begin the project in terms of developing a park, a covered entryway as a canopy with stair and ramp that then leads through a new hospital building to the tram station that's on your right. I can use that. Great. These are a couple of images of the tram station itself, which is a very tall, slender thin and as light as possible a structure that is balancing on the side of a hill with braced legs and a translucent skin. That same language of



**June 10, 2004**

architecture continues through to the other side. A couple of models where you see on the left, the tram station itself, the platform is quite a bit above the ground, approximately seven stories at that point, through the bridge, the hospital, and working backwards, so to speak, to the entry at the land side along sam jackson road. From sam jackson you would see this entry piece, pass through the hospital, to this upper station, which we're showing you a few views in drawing as well as in model of the current design of the station. Here's a model of the station. It's seen against the background of the patient care facility that is now under construction, as well as being relocated campus drive with parking below. It's a very complex, nearly impossible site, and quite fun to work on as a matter of fact. The tram car itself evolved from a community meeting when we were in the design competition where one of the neighborhood opponents said -- and I quote -- "if you have to build the damn thing, can you please make it go away?" which I took as a pretty interesting design criteria. We're working with the tram car manufacturer to design a tram car that as much as possible can dematerialize against the sky, so it will have no corners, rounded edges, made of tinted glass and painted metals, so that it can in fact go away as much as possible. Here's a side elevation of the current design. And the neighborhood below, whose privacy we all respect, will actually have a degree of security, because from the inside of the tram we'll use a film on the windows so that one's view looks outward and cannot look down on to the neighborhood. From the tram car, you look to the south waterfront. This is a drawing showing the proposed pedestrian bridge crossing i-5 and macadam to the tower supporting the tram and the station below. Of course, the willamette in the background. For quite a while, in various city agencies desks, there have been proposals that long-term is not one connection for the neighborhood of ctlh to the river, but actually a series of five, three of which have been conceived as bridges. And the bridge that we're looking at therefore is looking at being the first prototype of several, and we've modified the design so it's quite a simple structure, but so the idea is that it could become a prototype for more connections in the future. The bridge is another light structure. It's designed to shield the pedestrians crossing over the freeway network visually and of course physically, and on the north side we're proposing a planting of a native deciduous plant that will be able to seasonally change, so this is something that's always evolving over time, and it's as much as possible stretching the land and green over the freeway. This is a view of the current model of the bridge itself, as well as the tram tower. The tram tower is a single sculpted shape that is responding to the various technical and physical forces of the tram. It's just one element in the landscape, and it's been located just east of macadam so that it is leaving the entire ctlh neighborhood free of any ground structures. There's a drawing of that tram tower that is adjacent to the pedestrian bridge that comes back, hits land, and goes down to the waterfront. The lower station, in design, it's a partner with the upper station. It's also very thin, light, made of steel and translucent skin. It's accepting the forces of the tram coming down to ground. One will land over water retention basins. Sometime it's water, other time it's boulder and reeds, into this lower station. Here's some model views of that. This is really, in a way, a set piece, an urban design piece, between all of the very tall and dense buildings that are being proposed in the south waterfront. Another view. And again, our -- the interesting thing is, in a way, they're not buildings. These are structures, but we don't have windows, we don't have doors, we're making destination places and shelters, but they are -- they are indeed completely unique in the building world. All of this takes place, meaning in the south waterfront, in an area, of course, that's located between macadam, stretching to the willamette. So the lower station is considered the set piece, and what will be a large, generous public space, extending from macadam all the way to the waterfront. It will be largely pedestrian. It will also be environmentally designed with water reclamation basins and native plantings. And we're beginning a discussion with parks so that the design standards of the willamette greenway are those of the gibbs right-of-way. This is a sectional view. We imagine that this will be the urban hub of the south waterfront. It can be used, of course,

**June 10, 2004**

on a daily basis, used for events, markets and so forth. All kinds of action will happen here, but this will be the center of the neighborhood. And in that case it's really an important place with the tram station as the centerpiece. Thank you.

**Katz:** Thank you. Questions? All right. We'll move on with testimony. I know commissioner Saltzman wants us to vote --

**Brown:** Sorry, mayor Katz, I have another piece, which is really the neighborhood improvement side of this as well.

**Katz:** Oh, i'm sorry. Go ahead.

**Brown:** That's ok. I just want to say, also, just to follow up on sara's presentation, they really took some difficult engineering challenges and really worked with those and delivered a project that meets some very, very demanding challenges in terms of accommodating what the tram design requires and still being able to meet I think a fairly graceful and very excellent design proposal. So I think they've really lived up to their task to deliver us a great product on that.

**Francesconi:** Well, I mean, the idea, sara, you were saying to connect from one part to the other, which is true, but what you've done here is designed an icon for our community here in the future. And as well as meeting some very difficult challenges. When you said tall for that structure, up at the top, you were -- the tallest in the world for this kind of tram. So it's a little tall. And very difficult engineering because of the vibrations that we had to guard against for ohsu. So this is a terrific work. I guess we want to acknowledge it. But we also want to acknowledge the pati board for providing both the engineering discipline, the fiscal discipline, and the oversight to work together. And it was a healthy tension to produce this, which is good. Go ahead, matt. I'm sorry.

**Brown:** No. Thank you. When we asked sara and her team to put together a vision for the tram, I thought we were going to get something from them that talked about what it looked like. Instead what we got from them was a discussion about how this is one of many connections that needs to be made in the neighborhood, and that it could be made in very sustainable and in a manner that really exhibited design excellence. And I thought that was pretty intriguing for our discussions then with the neighborhoods about how we could work with the tram project and move other kinds of things forward that they are interested in seeing. So the process that we designed essentially not just looked at the what the tram project itself can and should be, and within the given budget, but also said that we needed to explore the tram within the context of the community, really to understand the community and what that meant, not only for the design of the tram, but also for neighborhood improvements. So that's what we did. I don't know why this is making noise. Then wrapping that altogether in a final recommendation and bringing that to city council, which is what we have here in front of you today. When we started this out, there was the notion that we should be looking in some form at what the mitigation for the tram should be. And early on, I think in a lot of discussions that we had with our c.a.c. And others, we felt that really the appropriate term to use is not tram mitigation, but to think about neighborhood improvements that can and should accompany this. As an example, this neighborhood has been bisected by naito parkway, interstate 5, the ross island bridge, and you literally cannot walk between certain sectors of the neighborhood today. You can't walk from the neighborhood to the waterfront. So we really wanted to focus our efforts on how to knit this neighborhood back together and improve the quality of life for all of its residences as part of this. What you see here is the concept map that we worked on with the c.a.c. That essentially gets their ideas out on the table. This is what the tram report contains in terms of their recommendations. It's a vision that moves far beyond besides just connecting point a to point b. Marquam hill, around the ohsu campus, terwilliger area, the lair hill area, we made a series of recommendations, we'll call them regional recommendations, that relate to more of the regional transportation network. In the marquam hill area a number of items we looked were traffic calming, trail connections to and from the natural areas, and transportation improvements. For instance,

**June 10, 2004**

along southwest 11th avenue where there are no current sidewalks, but it's a heavily traveled road in the homestead neighborhood, a lot of parking along there, a bus route, and to be able to add sidewalks, street trees, and to begin make that part of the neighborhood fabric again. Terwilliger parkway area, traffic calming, transportation improvement, for instance the sixth and sheridan intersection, which i'll talk about in a second. Trail connections, again, linking the lair hill neighborhood up to and through marquam hill. Viewpoint enhancements along terwilliger, as well as gateway improvements. One quick thing, and this is something that we've already executed, an intergovernmental agreement with ohsu on to fund, are the improvements at sixth avenue and sheridan where we will be able to expand capacity coming on and off marquam hill through this section of road, as well as to extend kind of the landscape fill of terwilliger parkway further north to Broadway. So what you currently have here at sixth and sheridan along with some additional lanes and again some additional street trees and boulevard treatment to pull that north toward the central city. In the lair hill area, then, this is the area where a lot of the major changes are being proposed in the report. South Portland circulation study is one of the key ones, but also improvements to gibbs street as well, to improve the livability for those along the alignment. Pedestrian connections to and from south waterfront and across barbur boulevard, across naito parkway, and then again traffic calming and mitigation projects. Just a quick overview, this is the west end of ross island bridge, back when -- about when it was originally built. Interstate 5 today runs about where these orange lines are. And this is what we did in 1947 with the new ramps that went in. Again, you can see in the background, this is about where interstate 5 is. In 2001, city council adopted the south Portland circulation study, which just to get -- this is a little different orientation, with the ross island bridge in the bottom and the area with the ramps are today with naito parkway running through here, was to remove the ramps and downgrade naito parkway and begin to reconnect the neighborhood. One thing that the circulation study didn't have, though, was a real implementation strategy, so really our work here is focused on how can you take this \$35 million project and begin to make headway on this and begin to provide again. This is a diagram showing what we believe the first phase should be which entails providing a new signal here, coming off of the ross island bridge, allowing all movements to occur through this signal, as well as re-establishing some connections up at the northern part here where naito parkway crosses kelly way. By making some of these improvements, immediately we can begin to take out the ross island bridge ramps in the center of the neighborhood. Longer term, then, we can begin to look at other issues associated with a circulation study, including the downgrading of naito parkway, which really is a limited access -- this is taken right from gibbs street. You cannot cross the street here because of the way the traffic comes on and off the ramps. To be able to take a street like this, make it more into a neighborhood main street collector that really serves the neighborhood. The way i've looked at this, is we did a great job in taking care of the harbor way thing, but stopped a little too far north. What we should have done is kept going and really kind of addressed this part of that system as well. So we still have that divided highway running through a neighborhood. I'll talk briefly about the pedestrian bridge, which sara's already talked about. Talk about it more from a systems standpoint. The pedestrian bridge that we're talking about, the first phase, would come along gibbs street, but it's part of a much broader view of a connection that brings you from the willamette greenway all the way up into marquam hill into the natural area's 40-mile loop, etc. This is a diagram that an architect in the neighborhood put together, which captures that spirit of a green connection that links our system of terwilliger parkway down through -- say through the ross island ramp area could potentially be open space components in that, but providing a green and stormwater linkage that comes all the way down, is usable, and is seen as part of the neighborhood. So it doesn't -- it's not just the bridge, but it's the entire system that we're after here in terms of connections. So looking at gibbs, looking back up towards the hill, again, very difficult place to cross today, not only are we

June 10, 2004

able to improve the connections, but there's also a sense of connection in the landscape through the way that we treat that street and really connect visually and functionally Terwilliger Parkway and Marquam Hill down through the neighborhood to South Waterfront. A couple other examples, crossing improvements on Barbur Boulevard, again near the Gibbs crossing on the left. Looking at this today, difficult place to cross, being able to make improvements on Barbur that allow for those connections to be made. Finally in South Waterfront, a number of improvements that are being looked at, a lot of which we've talked about in the context of the development agreement, and then the regional issues that we discussed, for instance doing things like cleaning up the Sixth Avenue/I-405 on-ramp which has a tremendous impact on the capacity both to and from Marquam Hill as well as the South Waterfront circulation study area. This is a significant bottleneck in our regional system that has a lot of downstream impact. I-405 loop study in supporting the recommendations there. Connections to regional traffic, making the tram integrated with a regional transit system. Other regional road connections and access improvements along Macadam Avenue. Just to give you a sense of where we are this year. I'm not going to go through this in detail, but this year these projects represent a number of the improvements identified in the report. There's about \$14.5 million worth of commitments to those neighborhood improvements. It includes things like the Lakeman/Orkney property, Sixth Avenue and Sheridan i.g.a. That we just signed with OHSU to improve that intersection. But there are currently commitments to improving the neighborhoods in place today. Looking, then, now to next year --

**Francesconi:** Show that one more time, say that number one more time, just for my sake.

**Brown:** Ok. About \$14.5 million. Ok? The bulk of this, a lot of this is being able to get that neighborhood park and bridge in place that really is going to help serve the Ctlh neighborhood. Looking forward to next year, then, there's a whole list of items that -- that we would anticipate taking on in the coming year. Traffic calming study in partnership with OHSU on Marquam Hill. Completing our funding program for the pedestrian bridge, which we're very confident we will get to. An update of the Terwilliger Parkway plan. You can see that there's a lot of things in this coming here we plan on doing, with the ultimate goal, then, looking out say in the period up to 2010 that we will complete the tier one projects that are in this report, and that's our vision, c.a.c.'s vision for this. Including the Gibbs Street pedestrian bridge, the first phases of South Portland circulation study and some of the others that I'm talking about here. We talk about two elements very briefly, the bridge and South Portland circulation study. Right now really these projects are going to require federal funding to move forward. We have \$2 million for the pedestrian bridge. We need about another \$2.5 million. We're very confident we're going to get that money in the current transportation bill. We have somewhere between \$9 million and \$15 million, depending on how that plays out that will come in to this area.

**Francesconi:** Can we tell the neighborhood that we're going to get that? Can we make a commitment now that \$2.5 million additional will allow the completion of a pedestrian bridge?

**Brown:** You know, it's completely up to congress. I mean, I don't think we can guarantee what they're going to pass, but it's that last item on there that we're going to keep these as federal priorities. That's really maybe the question right now -- is this going to continue to be a priority for us in terms of our ask for that. I do believe that we're in a very good position right now in terms of our federal funding requests with congress, and we have some others. Steve Stadum and others working with us on that can talk to that a little bit more as well. Property owner compensation issue. Again, I want to emphasize. This is the only area of disagreement that we have the c.a.c. We've already talked about why that is. But it's -- you know, I don't want that issue to distract us from the amount of agreement that we have on the other things. I think it's important just to wrap this up, give you a quick detail on where we're going with the aerial tram cost estimate. This gives you a breakdown how we get to the \$28.5 million. You can see the equipment itself is about \$7.2

**June 10, 2004**

million of that. Upper station and lower station tower here in the middle along with soft cost and contingency. We do have 10% contingency also within these structures here that are noted in the middle. The funding plan then that we talked about earlier, ohsu, \$4.0 million. Local improvement districts of \$19 million, including seven in south waterfront and 12 on marquam hill. The state energy tax credits of \$2.0 million, p.d.c. \$3.5 million, again 1.5 million of s.d.c.'s are coming in to help free up additional tif to come to this project. Total budget is \$28.5 million. Our public share of this is about 12%, \$3.5 million. Our operating budget, you can see a breakdown here, about \$915,000 a year. Ohsu will pay based on the ridership, which we estimate to be about 85%. Where we're headed next, we have r.f.p.'s for a construction process coming in. Those are due on the 15th of june. L.i.d. Hearing, 7-29-04. Completing design development by the end of next week. Equipment order, with doppelmeier our tram equipment supplier, by the end of september. Completing our design by the end of the year with final project completion by the end of march of 2006. We've talked a little bit about the actions that we have in front of us today, two resolutions and an ordinance. I have one more piece to talk about, which is the local improvement district, just to give you a sense for that. It is a \$19 million l.i.d. \$12 million on the ohsu. \$7 million in the south waterfront. The assessment is based on distance from the tram landing with 3 zones in south waterfront. Right now we're at 81% total support for that. It's important to note where we are in south waterfront alone, we're at 48.5% support in south waterfront. We believe at the time of our hearing in july we'll be at over 50%. So our resolution on this matter is really just to set the hearing date out in july, and in the course of that time we can collect remonstrances and other testimony and have a full hearing on the project in july.

**Katz:** Ok.

**Brown:** That's the end.

**Katz:** All right. I'm going to do something I don't usually do, but it's because it's a child's graduation. I'm going to take an amendment. Council will vote on it. With the caveat that if we hear testimony in opposition to amendment that convinces those who vote on the majority, then you can move to reconsider your vote. And then we would redo it again. All right?

**Saltzman:** Sounds good. I was going to suggest exactly that same thing.

**Katz:** Good, all right.

**Saltzman:** I don't know if I need to describe it again.

**Katz:** Roll call.

**Francesconi:** Well, on the issue of cost, i've expressed the other thing, the estimates in terms of transactional costs are as low -- around \$400,000. And I just believe that property values are actually going to increase, not decrease. So I don't see this as a big expense item. Again, I just think that this is a matter that can add some trust here, and it's one for little cost, we get great trust. Aye.

**Leonard:** And I too as well believe that the actual impact will be to increase the value of properties. In fact, I think if everybody agreed to sell us the properties, and then we could turn around and sell them, that would fund our portion of the baseball stadium. [laughter] aye.

**Saltzman:** Well, I also think that -- I mean, we've just seen a presentation of how absolutely visionary, not only the tram is, but the vision for the corbett-terwilliger neighborhood, marquam hill and others, and I truly think that not only will property values go up, but I truly think most of the homeowners along gibbs street will elect to remain where they are, and enjoy their brand-new neighborhood with pedestrian connections, but nevertheless if they choose not to, we'll give them a 30 to 60-day window in which to sell to us at fair market value as determined by an independent appraisal, again for owner occupied residentially zoned dwellings only, and keep good, I think, on a commitment that this council made sometime ago when we first started this process. I think it's a good step of trust. Aye.

**June 10, 2004**

**Sten:** Well, I think it's certainly a well-intentioned approach, and I appreciate it, and, you know, I hope it works out. I'm not going to support it for a couple of reasons. I think any time the city tries to do something brand-new like this it will be expensive and we'll have to put together a program. I don't believe it's a huge benefit to anyone to be able to sell your house to market value, because the market is what the market will pay for. It's a pretty hot real estate market. We're setting up a program that won't benefit people a ton and will cost the city and get us into an area I'm extraordinarily nervous about from a public policy perspective. To say when we do something that we believe is going to benefit -- and also we do things at times that benefits the public good, but hurts property owners and there's a long precedent that when the public does those things, wisely or poorly, that's how it goes. And so I think trying to set up this program has more problems than it brings solutions, and I don't think it will bring a ton of benefit to the gibbs street residents, and I'd rather see the money spent to set this up go into projects in that neighborhood. I'm going to vote no, but I know it's well-intentioned.

**Katz:** I'm going to vote no as well, as I said. It's hard for the council to deny this again, or repeat what we're going to do today on construction of light rail or across to the east side, and anybody who's disrupted will come back to this council and ask for this particular program. No. Motion passes. [gavel pounded] oh, c.a.c. Members.

**Brown:** Just briefly, we have three c.a.c. Members here who would like to present the work they've done. I forgot to mention at the end, I'm just really appreciative of all the time and hard work as well that they put in. You know, 18 meetings over 14 months, spent a heck of lot of time thinking and working on this. Really they've done a great job. Let me call them on. Antone Vetterlein, mark Kimball, and stephen leflar.

**Stephen Leflar:** Hello, everyone. I'm steven leflar from cthl neighborhood, just retired from the board. I live a block from the tram site. I represent the south Portland national historic district. My colleagues are antone vetterlein who is the president of the board of homestead and is representing friends of terwilliger. And mark kimball, who represents ohsu and other institutions up on the hill. Together the three of us can embody much of the diverse spectrum of the c.a.c., and we feel this document is our collective legacy, summarizing months of difficult, contentious, and ultimately constructive vision work. For the tram has been a lightning rod to collect and focus intense energy, and we've become a single instrument of this energy and used it to transform it into vision and that into this document. We face you today with unity and conviction. The new and efficient tram is in truth another layer of traffic that rises from the failings of an overburdened regional and local matrix-- a transportation nightmare that forms walls as much as it connects in a broken corner of the city. Ironically, connectivity was always the goal, wasn't it? This project can stitch together the torn fabric of our social and economic community. For as this beginning is critical, it's whole and healing conclusion is essential. Vision goals, design strategy, are all one. We challenge you, as we have been challenged, to keep it together. The whole fabric. The vision must be our goal. And we believe that it can be done, all of it, but we must be determined and patient, we must find creative sources of funding and federal support. Sara graham started us in the right direction with her notion of design excellence with a tram that is minimalist and elegant. And quiet in many senses of the word. But the design is incomplete without the whole vision. As the tram begins to appear, so must at least three tier one projects. One, our other connector, the pedestrian bridge, with a sidewalk and trail improvement. Two, phase one of the circulation study. And finally, happily, because lovely gibbs street itself is ground zero, the most impacted site, we need a fair valuation and buyout program. We've understood that the tram may begin to unify and heal. This is report of recommendations is our road map to the future. For months it's been our map. We now ask you to accept and follow this path. Thank you.

**June 10, 2004**

**Mark Kimball, OHSU:** Good afternoon, mayor Katz, city commissioner. My name is mark kimball and I serve as director of community relations at Oregon health and sciences university located at 3181 southwest sam jackson park road in Portland. My role on the citizen advisory committee included all of the marquam hill institutions. The citizen advisory committee was charged to provide advice on the tram design and related neighborhood improvements. The size of the document before you truly represents the scale and scope of our resulting discussions. Stakeholders from neighborhoods, religious, environmental and transportation groups, city bureaus and commissions, the marquam hill institutions and the business communities simultaneously brought many different and valid views to the table. While they were represented through their neighborhood, the committee also respected the rights and decision of the gibbs street residents not to participate directly. The work of the committee was accomplished in 18 meetings, taking place over 14 months beginning in march 2003. The report contains many hundreds of hours of volunteer time and many hundreds more of city staff time. We would like to recognize the contributions of matt brown and art pearce during this process. City council is being asked to make important decisions today. The committee believes this report to be a strong, credible and substantive document reflecting a diversity of community opinion and accurately reflecting a process notable for its in-depth discussion of the issues raised. Not surprisingly there were areas within the report where unanimous consent proved impossible to obtain and subsequent testimony will identify those areas for you. The full report was, however, approved by all at the table, as an expression, not of what the tram could be to the area over which it travels, but rather what it might do for that area. We hope that you will reach the same this afternoon. Thank you.

**Katz:** Thank you.

**Anton Vetterlein:** Good afternoon. My name is anton vetterlein, 430 southwest hamilton street, president of the homestead neighborhood association. I've handled land use issues there for longer than that, but I was representing friends of terwilliger on the citizen advisory committee. I think it's important to note that this report was unanimously endorsed by the citizens advisory committee. I think it's safe to say there's a fairly high level of satisfaction among at least the community representatives on the c.a.c. With the way the process was handled. I've been involved in several planning efforts, and this one is notable to me for the open and fair way that it was conducted and matt brown and art pearce deserve special recognition for this achievement. It's especially important to view the tram project as a comprehensive project that provides benefits to the entire community, not just to south waterfront developers and ohsu. I think there was a strong feeling among the many committee members that the numerous projects contained in the report give it balance and will help to -- to use the same metaphor that people are using -- repair the torn fabric of the south Portland community. You're no doubt aware that the area between ohsu and south waterfront is divided by highways, constrained by topography, environmentally sensitive and inundated with traffic. The tram was conceived to soar over these problems rather than to solve them. And the neighborhood improvement projects contained in this report make the tram project whole and will help to heal the divisions in the community, both physical and political. The tram proposal became politically divisive because I think it was conceived to a certain degree in an ivory tower by interests, which were both public and private. I'm not laying blame on any one party. They failed to fully understand or involved the communities affected. The tram was pushed through, along with the marquam hill plan and the north macadam plan with too little regard to the existing communities. While the tram was intended to make positive connections, it's instead become unfortunately a symbol of communities divided against their government, against influential public and private interests and even divided amongst themselves. By accepting this report as a whole, and more importantly by committing to funding the neighborhood projects, you can go a long way to repairing these divisions. And I hope that that previous symbol of the tram is

**June 10, 2004**

something that we can forget about. If the tram gets built without any of these other projects, like the pedestrian bridge over i-5, for instance, then I think it remains a divisive project in a disconnected community. By implementing all these recommendations, however, you will be creating a more seamless south Portland community that integrates new neighborhoods with old ones, that links forested hillsides to repairing riverfront and that improves access to critical destinations while protecting neighborhood streets and a scenic parkway from through traffic and heavy local destination traffic. I urge you to lobby congress, to get that federal funding, check under your sofa cushions, these sort of things, and let's get these things built. Thanks.

**Katz:** Thank you all. I never thought that I would be sitting here, listening to this kind of testimony. And i'm so proud of the community and i'm so proud of you for being -- I know you're not crazy about a lot of these issues, but you stuck it out and you've come here recommending adoption of the report. Thank you. Ok. Further c.a.c. Members. Come on up.

**Glen Bridger:** My name is glen bridger, southwest vincent place, with SW neighborhoods incorporated, the coalition of 16 neighborhoods in southwest Portland. I was a member of c.a.c., and as people said before it was a very productive group and I really appreciate council's staying with the issue and helping form that c.a.c. Because it was a good move on your part to help make it happen. I endorse 99% of the things in the report and I do hope we move forward with those community projects because they are much needed. I will signal one little question. We have a tram that's going to be -- projected to be completed in 2006, and yet the tier one projects, the highest priority projects, are not being projected for completion until 2010. I think we need to look at some better linkages there and not letting those tier one projects go to 2010. We need those projects now. I wanted to talk to you about some other areas that the c.a.c. Didn't cover. First, there will be a shuttle between ohsu and the waterfront, because there are things that they're going to be shuttling back and forth that aren't people, they're going to be having -- you know, they're running biological tests. They'll have various material and such moving back and forth between the two campuses so they can do their research work. That may be an opportunity for some other interim transportation issues while the demand down at the waterfront builds up. That gets to the second issue, the timing of when to construct the tram. The tram is a mechanical item that is going to wear out. And we've heard testimony about how a lot of the build-out in the south macadam area, south waterfront area, is going to be 15 years from now, 10, 15, 20 years from now for that build-out, so we're going to running a tram that is empty or half empty and wearing out, a valuable asset. I think you should be looking at when is the right time to build the tram, you know, what's the best thoughts. The third item is the cost of the tram. Two years ago when we were sitting here we were talking about a tram as being \$10 million. That's what a lot of the discussion was. You in your wisdom set a budget of \$15 million. You said, well, let's set this budget, because we know it's not going to happen at \$10 million. Let me challenge you and say do really think that this tram will happen today at \$28.5 million or do you think a wiser budget, looking at the way the public projects develop, looking at the needs list, looking at the uncertainties in the design, and there are some still very big uncertainties, would it be wise for us to use that same 50% fudge factor here and say we better be planning on how we're going to support and pay for a \$40 million tram? Would that be a wise decision? Because it is going to cost us a significant amount of money to make this happen. So i'd like you to take a look at when should the tram be built, is it economically right way, if it's a \$40 million project to do it, and how are we going to get these tier one community projects built effectively so we have those assets -- you've committed to them in the past. There really are no great new asset projects on here. We want them in our community and we'd love to see them built.

**Katz:** Somebody grab the mike.



**June 10, 2004**

**Marty Slapikas:** Mime marty slapikas, a representative to the pati/cac. There was a lot of good work, however a 12-ton seventy passenger tram cabin approximately the size of a bus is to pass over or near affected clth property owners 12-24 times an hour, 18 hours a day, 7 days a week, 360 days a year, not counting for maintenance down time. The question is, is this an amenity, something to be desired by city residents, and is this what council believes is the epitome of Portland livability for Portland residents? A common theme and concern of all the neighborhoods i've represented is livability, preserving it, enhancing it, developing it, yet i've never seen a definition of livability on which all could agree. I believe the u.s. Supreme court justice once commented, pornography, it can't be defined, but we can recognize it when we see it. That seems to be the same with livability. It can't be defined, but we recognize it when we see it. So we ask, is a 12-ton cabin passing over a residence home those periods of time, 24 times an hour, 18 hours a day, seven days a week, 360 days a year, council's definition of livability? It came as a major disappointment to me after working 18 months on the pati/cac to find out pdot staff and the pati board do not support compensation for tram-affected property owners, placing a 70 passenger cab over an already established residential urban neighborhood is a unique project. It is not similar to the roosevelt tram in new york city. As a consequence, the tram and the citizens it impacts should receive a special ...solutions for the problem it creates. What has been ignored is whether living under a tram or in its close proximity is an amenity. Of course this gives rise to subsequent question, subsequent issues. What's the right of individual citizens to experience the peaceful enjoyment and their living environment with the same amenities they now experience in their present location? This has been ignored by pdot, the pati board, and the city council. I have yet to meet any councilmember, any committee member, but cac or pati board who want a tram over or near their home. Commissioner Saltzman's proposal -- amendment to the counsel, 673, is an excellent step in addressing the compensation issue. You've already voted to approve that, but I recommend you include the relocation pricing model referred to on page 50 of the pati/cac to be used to determine the fair market value for this unique aerial tram situation. Copy of the model is enclosed. Not only does it incorporate an appraised valuation, it takes into a citizen's reasons for living in a certain location. One of the pricing models function's, the location factor, is used by pdot to tax property owners closest to the tram through the formation of a Portland aerial tram local improvement district. Pdot proposes distributing the cost of the tram to zones using an assessment methodology, of decreasing assessments the further the property is from tram zero. Why not do the same to compensate? It doesn't create a precedent for other not so unique projects. We the city of Portland may not be able to right the definition of livability, I believe it's not living underneath a tram passing over your home 24 times an hour, 18 hours a day, seven days a week, 360 days a year. That's why this compensation issue is so important. I'm glad to see it favorably voted on, but I would wish you would consider the relocation pricing model as consideration for the appraised value.

**Katz:** Thank you.

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

**Richard Matza:** My name is richard matza representing the Congregation Ahavath Achim, Sephardic synagogue on southwest barbur boulevard. It was nearly two years ago that the synagogue was surprised by the report that our synagogue might be the site for a tram station for ohsu. We placed all of our plans on hold at that time, including our campaign for hiring a rabbi and constructing an education building. What have we done since then? We worked and developed a published -- and published our four principles for relocation plan. And we worked on them with various city officials, the c.a.c., pati, ohsu and other interested party. Our four principals principles for relocation are, one, locating approximately one acre of land for the replacement synagogue in the west Portland location, such as hillsdale or raleigh hills. Two, construction of a replacement

**June 10, 2004**

synagogue, including a sanctuary in a moorish style, a social hall, class rooms, offices and parking.

Three, no disruption to displacement time between the move from the current location to the current synagogue so we're never without a suitable place to pray, and four, involvement in land lease options to obtain an ongoing stream of income. Since that time we've worked closely with the city of Portland, especially the offices of commissioner Francesconi and pdot. Myself and sybil barrier and ralph became active members on the c.a.c., and participated in the tram project. We've obtained the support for our four principles from all of the neighborhood associations in the c.a.c. The ecumenical council of Oregon, the Oregon board of rabbis, and various other organizations that want to help us protect our congregation as a valuable cultural resource in the state. We're relieved and pleased to report that our experience has been a positive one. Although the ohsu tram will pass over our property, we are accepting of that. Since we have written assurance that we will be protected now and in the future as documented on page 52, section 5.8.2.1 and .2. We've been assured that our congregation and our property are now protected by the four principles for relocation. We have -- if we have to relocate, or if we will be impacted at a later date, by either public sector or private sector development, we understand the four principles will become effective and we thank everyone for giving us that assurance. Based on the assurance of this recommendation and report, we are now happy to report that we've initiated steps to construct our education center building. Further when it became evident that we were --

**Katz:** Sir, your time is up.

**Matza:** Let me just finish, please. We hired a new rabbi and he started his tenure on january 1 of this year. Unfortunately ralph n. funes did not live to see this day, however his memory will remain in the education building named after him. We want to extend our sincere attitude to pdot and matt brown. He's a special person who is sympathetic in difficult times and he's a good image of government. We also thank the members of the c.a.c. They're wonderful individuals and we appreciate their cooperation in ratifying our four principles and we will support the c.a.c.

**Katz:** Thank you.

**Matza:** Thank you for this opportunity to testify.

**Katz:** Thank you, thank you. Trying to accommodate councilmembers as well, so let's try to keep it to three minutes.

**Katz:** Larry, go ahead.

**Larry Beck:** Question, mayor and commissioners. I continue to object to the tram, but I realize we're talking about other things today, so I want to direct my comments to the report and the recommendations before you today. The report clearly identifies that there are adverse impacts to our neighborhood and the city because of the construction of the tram. And that's why we have a mitigation plan, or now called this improvement plan. The report defines a tram impact area, which includes southwest gibbs street and a block either side. It also provides for some general neighborhoodwide and some city improvements, but really does little for the people within that impact area to address some of our concerns. We've talked a little bit about -- i'm sorry commissioner Saltzman isn't still here. Back in july of 2002 when you approved resolution 36085, it included specific provisions relevant to this, directed pdot to work with the affected property owners, to address neighborhood impacts, including a voluntary buyout option, consideration of south Portland circulation study, and other issues. It also provided that there would be no hostile public condemnation to be used for the second tram. Now we're back today dealing with that report, and now much of what I was going to say I don't have to have talk to about because of the approval of the amendment --

**Katz:** Good.

**Beck:** I know you love me to be short, but i'm going to ask you to allow me to go further. I think the tier one improvements, if we're going to have a tram, those have to be funded and should occur

**June 10, 2004**

in conjunction with the tram construction, not later. We have some of those improvements that are going to be done years from now, or decades from now, but a tram built in less than two years. In addition to that, I would hope we would have further amendment of the resolution, including the compensation for those owners who remain who have been damaged, either in terms of property value, loss, privacy, livability and the coming nuisance of this tram. I think we should add back into the report there be a continued study of the compensation issue for property owners. As we did that for previous resolution, I think you should include in this resolution, or ordinance when we get to that point, there this will be no hostile public condemnation. If you own the rights, that's fine, but if you don't, that you won't use eminent domain powers to take those rights from those people who do own them. A relatively small point dealing with neighborhood improvement, street level improvement and trees. We have a lot of mature trees in the neighborhood. You may not have a lot of people who want more trees put in. Maybe you can some of those monies for street level improvements in terms of the pedestrian walkway that we will have in terms of lighting, some historic lighting for our historic district. Maybe some maintenance of those mature trees and the foliage around this bridge, around other areas, which a lot of people are living in at the moment. So I would hope that you -- I know that you will approve the resolution. I appreciate the fact that you've amended it already. And hope that you will further add to the resolution by adding some of those amendments.

**Katz:** Thank you.

**Barb Hutchinson:** Hi. My name is barb hutchinson, southwest corbett avenue at the corner of gibbs and corbett. I still think the tram is a lousy idea, but at this stage i'm here to request two things. One is that the city council require a commitment to the Portland aerial transportation group to operate the tram only when there are people in the tram. It's been said that it will be flying by every two minutes no matter what. For those of us living below it it seems like the considerate thing to do is only operate it when people are on it to be moved. In addition, operate it during business hours. I would like to ask for a commitment for the owners to operate only when necessary. Also no one has addressed what is happening to all of the ohsu shuttle buses that will run through and around -- that run through and around our neighborhood. Can we be assured that if we're to swallow the tram, we won't be additionally asked to continue to have the shuttles run through our streets? What can be done to make sure if you accommodate ohsu and their tram, that they won't get to have both modes of transportation in effect. Thank you.

**Katz:** Thank you.

**Alice Sayre:** Hi. My name is alice sayre, a homeowner on southwest gibbs street, in the very neighborhood we're talking about. I thought it was important that you hear from a person who really does live at the belly of the cable. I'm just about at the midpoint of the cable. As homeowners in the lair hill national historic neighborhood, we want to remind the council of what we have to go through to improve our property. Any proposed changes to the exterior presentation of our homes, including something as benign as home exterior paint colors, in addition to having to go through the building permit application, the proposal must go through a design review. Design review takes approximately six weeks and costs about \$571 for a minor project, and up to \$18,354 for a major project. In addition, the property owner must submit a written statement describing how the proposal meets the approval criteria for historic design review. The design review process, while lengthy and somewhat complicated, is set up to assure that the historic character of our neighborhood is maintained. My husband and I are midstream in this process and hope to add value to our home. For many of us who do not plan to move out of lair hill because of the aerial tram, keeping and growing the value of our home is what we continue to do. The proposed aerial tram is a project of unprecedented construction scope and the individuals in favor of building the tram have no idea what the construction or postconstruction impact will be on the values of the homes in the

June 10, 2004

lair hill historic neighborhood. Since it is not possible to know or predict the impact, we would ask that a posttram construction study be conducted to verify that property values are continuing to grow and a study that also looks into property value compensation if property values are determined to be growing at a diminished rate. Thank you very much.

**Katz:** Thank you.

**Katz:** Go ahead.

**Janet Kelly:** People are missing. All right. My name is Janet Kelly and I live in the Terwilliger/Lair Hill neighborhood association. I also serve part of the time on the pati/cac. The conclusions and recommendations that are contained were not lightly made. I'd like to speak in defense of item 5.8.1. I additionally support Commissioner Saltzman's amendment for the most part. In May of 2003 the neighborhood association board approved a set of tram mitigation priorities. Paramount among them was the request that there be a program for city buyout at fair market value of property owners who wish to relocate. It's very important to us. Objectors seem to cite four objections. The first, it's almost an indifference to the feelings of those who must live under the tram. And what I'm hearing is, oh, it won't bother them, it wouldn't bother me. And while it's always dangerous to use one's self as a yardstick for measuring somebody else's pain, there's some truth in this. There are people who live essentially within their own heads, who are relatively indifferent to what's going on around them. There are other people who are extremely sensitive to their environs and to stimuli and who are upset by noise, by confusion, by action. So the reaction the different people are going to have to this tram is going to be very different. Some won't be bothered. Others will lie tense in their bed at night waiting for the swish of that thing every five minutes. Among the callous and indifferent, I would include those who argue that there is always collateral damage in any operation. A few civilian casualties, a few must be sacrificed for any cause, life isn't fair. For this operation, perhaps the unlucky collaterals will be the homeowners on Gibbs Street. The second objection -- or the second objection that we hear is, this is bad precedent. If we compensate those hurt by the tram, the argument goes, we will have to compensate every property owner who feels inconvenienced by any city action. Oh, come on. Surely this city's attorneys can write a compensation package that clearly defines tram damage as unique and specific. The established practice of condemnation with compensation gives additional precedent. And finally -- or thirdly, I hear the argument, well, there will be no losses. There are many street re-alignments, trails and tree plantings currently unfunded, but planned in some detail, and they will increase property value. Everyone wins. The neighborhood improvements will undoubtedly help the neighborhood as a whole and we support them. How much they will help the people directly under the tram is a moot question.

**Katz:** Your time is up.

**Kelly:** And whether they will happen in time.

**Katz:** Your time is up.

**Pamella Settlegood:** Commissioners. My name is Pamella Settlegood, I'm the president of Southwest Hills Residential League. This is a terrible, terrible thing you're doing to our neighborhood. And some of the neighborhoods that you often hear from, they do not represent our neighborhood. I come here today engaging one last effort in sharing the concerns of Southwest Hills Residential League, one of Portland's preeminent and still independent neighborhood associations. We care very deeply about what happens in the Marquam Ravine, where it happens, Oregon Health Sciences University now resides and dominates the hillside. It's a uniquely beautiful area of our city, which has everything to do with the league, our members, and people who reside there in their homes. Hence our discerning continued interest in what unfolds this. And we have been listening to what our members and residents have had to say about these latest developments. As you know, the league has studied the Oregon Health Sciences University tram proposal and have concluded that the tram is not responsive to the true needs of the neighborhood, nor Portland, nor the university. We

**June 10, 2004**

continue to vigorously oppose the construction of the tram. That being said, we recognize that the university and the greater Portland community do indeed need a serious and viable transportation plan on the hill, a modern plan to meet our increasing needs, to meet Portland's needs. I share with you the thoughts of dr. Oliver massingail who practiced medicine at the university for over 35 years. Before you is our latest newsletter where oliver expressed his concerns about the university and the tram. Please do read it. It's time to scrap the expensive, ineffective and divisive tram project and move forward to a transportation plan that's tried and true, with 50,000 university-related automobiles choking up and down the hill, it's time to construct a max light rail. The doctor, who's not an engineer, shares intelligent ideas. These need to be immediately considered and seriously considered. Our senators can help us acquire the federal transportation dollars to make it happen. Commissioner Francesconi, here is an excellent opportunity for you to demonstrate your commitment to the neighborhood. We need your help and we're most willing and able to lend our support. Give us the opportunity. We learned a lot through our involvement with the zoo's max station.

**Katz:** Thank you.

**Settlegoode:** We want to help enhance the university, enhance the neighborhood, while preserving it.

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

**Settlegoode:** Just a moment.

**Katz:**, no.

**Settlegoode:** I've waited three hours.

**Katz:** We heard your message. Your time is up. There are other people who want to testify.

**Settlegoode:** One last thing from oliver. Think tunnels, not towers.

**Katz:** Thank you. Go ahead.

**Rich Davidson:** Thank you. Thank you, mayor Katz, and commissioners for letting me speak here today. My name is rich davidson. I currently live at 3434 southwest southwest 12th. I've lived in the homestead neighborhood for the past 30 years. Obviously over the last 30 years i've been involved in the homestead neighborhood continuously during that time. I've seen a great deal of growth at ohsu. And i've been involved in a lot of the planning with the administrators at the school and when we were -- one of the comments that I wanted to make was that when we were working with the v.a. Hospital and its completion, and we had a little bit of the extra money, and we decided on building the skybridge, there was a lot of question about whether or not the skybridge was going to be successful, was it going to help the v.a., ohsu, and it has turned out to be a tremendously successful connection between those two institutions. I think that everyone that's been acrossed it, that works -- the people involved in it have identified that as being tremendously successful. Well, in the early days of thinking about how to expand ohsu and where to go to find that expansion, do we go to the west campus, questions, and the availability of the land down in the waterfront, is that the cog train was one of the first ideas that came up to make the connection, later that evolved into this tram idea. And one of the kickers that we thought about at the time was that the tram -- if the tram was as successful as the skybridge has been between the two institutions, that could be a huge success for the expansion of ohsu, the creation of jobs, and the development of the property down by the water. In watching this process evolve, I truly think that that the tram will be as successful as the skybridge has been over the last -- whatever it's been -- almost 11 years that we've had the skybridge, and I think the tram will become a symbolic of Portland, of its future thinking, of its innovation, its courage, its ability to dream into the future, however there's an important addition to this that -- the skybridge -- I mean, excuse me -- the tram should not just represent jobs, because it will create some new jobs, open up a new area, but what we also need to connect with this is, I think, the tier one projects that add you might say the frosting and the ribbon and the human

**June 10, 2004**

comforts, the pedestrian bridges, the additions to 11th. So in your conclusion on this, in endorsing the tram, please connect the tier one improvements to the endorsement of the tram. Thank you very much.

**Katz:** Thank you.

**Katz:** Ok. Somebody grab the mike. Go ahead.

**Jerry Ward:** I'm Jerry Ward. I represent the neighborhood association on the p.d.c.'s north macadam urban renewal advisory committee. Today's vote on the tram is a good test in applying what recent candidates for public offices have reasonably said. We need to be setting specifics about what we want to do in the city. At the recent southwest neighborhood, inc., candidates for most of the candidates were clear that they would vote against the tram if this was put to a vote. Most everyone that I come in to contact about the tram asked why is it necessary and are against it. In fact, the recent OHSU work force survey of their 11,000 employees, who are the most directly benefitted by the tram, if built, only 38% wanted the tram. Now let's look at the tram cost. Citizens in our neighborhood association were first told the tram would be around \$8.5 million. Then it went to 15, then to 32. Then back down to \$28.5 million by reducing the design engineer fees and by reducing the contingency fees from 10% to 3%, which is not good business practice. Then the third thing, they created a second phase, which is in the documents at p.d.c., the true cost, if you include the elevators and waiting rooms, is really \$34 million. What should be analyzed for a true picture of the tram costs are more than just the capital costs. More additional important items are left out in the city's analysis. I gave you a handout on that. And this is to do -- really creating a cost benefit of how much it costs the trips. Missing are operating costs, depreciation of facilities, maintenance cost, third, interest cost for the money that build it, and fourth the land costs. These aren't included in the analysis and it should be. Working with an economist at P.S.U. In urban studies and being conservative on these four additional costs, we came up with a price tag of \$52 million over a 30-year life, using 1800 trips per day as assigned by PDOT. That is after build-out of north macadam, say in 15, 20 years. The cost per roundtrip comes to be \$55 per roundtrip. And then if you want to be conservative, use say \$30 million, it's \$28 per roundtrip. That doesn't compare to shuttle, which could be \$2 to \$3 a roundtrip -- or for a trip. Now based on the most recent life cycle cost-out analysis from PDOT that I handed to you, I just got last week from Matt Brown, our figures and thinking is not far off from what we even show. If you look on some of the line items they're at \$52.3 million. That does not include interest costs nor land costs or a dramatically lowering of the operating costs from PDOT.

**Katz:** Thank you. This is what you're referencing. Thank you.

**Ward:** I have some other points, but --

**Katz:** I know.

**Ward:** If someone wanted to ask me a question, I can elaborate, you know, for --

**Leonard:** You're too anxious.

**Ward:** Oh, I am.

**Katz:** All right.

**Francesconi:** I'm the one that has to leave. I'll take the bait.

**Katz:** No, no. I'm going to protect you on this one. It has nothing to do with him leaving. You had three minutes and that was your time.

**Ward:** Commissioner can't ask me a question?

**Katz:** He doesn't want to.

**Francesconi:** No. I'll ask it. Since I was one of those candidates, few candidates, who said that I favored the tram at that forum, for the spirit of disclosure, go ahead and make your major point, but also address this question. What you've left out of your conversation about the tram and the cost, let me ask my question, then I'm going to give you an opportunity, is you've left out the fact that

**June 10, 2004**

ohsu is going to pay for 87% of the operating costs of the tram, and when it comes to -- i'm sorry -- 85%, and when it comes to the cost of the tram the private sector, not the public, is paying 85% of the cost of it, the private sector, not the public sector. Go ahead.

**Ward:** Ok, many of us look at ohsu as not being a private sector business. And it's not private money. And it's a matter of a shell game of how you take their budget and pay for the tram. Now that's -- that's just honesty of how people look at it. That's responding to that question.

**Francesconi:** But I don't represent the citizens of ohsu. I rep the citizens of Portland.

**Ward:** Well, the last point that I was getting to, in today's discussion, was that 3/4 of the tram's cost and infrastructure is outside the north macadam urban renewal area. This is contrary to state urban renewal statutes. Then having staff say we can do this because we've done it before and -- but of course we've done it a lot less percentage basis, cost-wise and land area. Then when asking our committee and p.d.c. Staff if the gibbs street property owners lost property values could be added to the tram program, why it could not be added to the tram program. They said why, it's outside of the urban renewal area.

**Francesconi:** Ok. Wrap it up here. I wanted to give you more time, but wrap it up.

**Ward:** With logic, you can't have it both ways. I'm wrapped up.

**Katz:** Thank you. Go ahead.

**Anton Vetterline:** Anton vetterline. Homestead neighborhood association. Our citizen advisory committee did not show up. I wanted to just -- the homestead neighborhood did take a position on the tram and I wanted to read that to you. The homestead neighborhood continues to question the benefits and the escalating costs of the proposed tram and be concerned about issues of current and future access problems on marquam hill, it wishes to make sure that tram construction provides real benefits to the community beyond the ohsu campus. Subsequently, homestead neighborhood association wishes to be assured of dedicated funding commitments for tier one promises. That's it. Thank you.

**Katz:** Thank you very much. Anybody else? Oh, i'm sorry.

**Jim Davis:** And now for something totally different. First of all, very quickly i'd like to point out to sarah graham --

**Katz:** Would you identify yourself.

**Davis:** I'm jim davis, land use chair of clth. I'd like to point out to Miss graham, the eastern border of the neighborhood is the center of the river, not i-405, unless she misspoke. I hope she didn't. I hope she realizes we encompass all of the north macadam area. The councilmembers who know me, beyond the confines of this room are aware of my reputation as a mathematician, and have analyzed the tram's budget. The true cost of the construction of the tram will be \$41 million with a margin error of 3.5 to 5%, not including the retrofit, occurring within the first 36 months of operation and could add another \$15 million to the tram's cost. The true cost of the annual operation of the tram will be about \$3.5 million using standard cost analysis practices. This figure has the same margin of error since ohsu has an 80% use rate, now I hear it's 85%, it's a fair share of the costs should about \$2.8 million, however ohsu is so cash poor it couldn't even fund the \$1 million for the state's poison control center. I suspect these costs will be funded by every resident within the city in a very short time. The creation of a highly bizarre local improvement district may well result in litigation on its face further funds will be paid by the city, further a \$10-15 million tif monies mentioned in this report will not become available for at least 10 years. That means the city will have to issue anticipatory bonds for cash it needs now. This too will add to the tram's cost. Advocates for north macadam state the project will create 10,000 jobs. Most of these jobs will be site specific, short-term construction jobs. Those that remain will be low-paying service jobs with perhaps 15 long-term family wage jobs. Because of lack of funding, it will be given to tri-met, which in turn means everybody business in the tri-met operating area will be taxed for the operation

**June 10, 2004**

and maintenance. In short, what the trojan nuclear plant was to p.g.e., so will the tram be to the city. Sara graham's has been quoted as saying there's a political budget number and a real budget number. In another context this real budget number would be called a black budget. It cannot be overstated that reality always overtrumps fantasy. If the tram is to be more than an expensive toy for the very privileged, there is no need for a black budget. Now is the time for truth, honest and reality, not wishful thinking and fantasy.

**Katz:** Thank you.

**Jim Gardner:** My name is jim gardener, southwest second avenue. This is rare. I seldom get to be last, so you guys get me for dessert, I guess. All I wanted to talk about today was one of the items in the neighborhood improvements, and that is one that you're all pretty familiar with, what's generically known as the south Portland circulation study. What it means to residents of lair hill, though, is something much bigger than that name might imply. It means finally 30 years after we first started having this vision, getting that huge volume of through traffic out of the very center of our neighborhood and removing that ross island ramp spaghetti that's served to divide our neighborhood essentially into two completely unconnected parts for almost 50 years, now that that at least has some reasonable likelihood of happening, I wanted to let you know that we are already starting to think about what we would like to see take its place. We have a planning group that's been meeting now for about six months to develop our ideas of what we think a true lair hill center could be in the place of those bridge ramps. On the group we have a couple of architects who have long connections with the neighborhood. We have our sort of ad hoc neighborhood historian, steven leffler who you heard about earlier. Another neighborhood resident lives right on gibbs to get that point of view. We have jim davis, who you just heard from, and myself whose only function seems to be to keep the process moving, although I have lived in lair hill for about 30 years, too. I wanted to let you know we have this vision that's coming together. We're going to be soon having sort of available for public consumption and shopping around. And we hope that when we come back to you with a finished product we can have perhaps the same level of support that we've had for getting the transportation changes done that will make it all possible. Thank you very much.

**Katz:** Thank you.

**Francesconi:** Jim, thanks for --

**Katz:** Go ahead.

**Francesconi:** Thanks for your work on the pati board as well. Is matt part of that, or do you want staff part of -- pdot staff part of that?

**Gardner:** We've already talked with matt about it, although not face-to-face. It's been an exchange of emails. We're going to get together with him soon after today.

**Francesconi:** I think that would be important.

**Gardner:** Yeah. Certainly we want to have planning bureau itself involved with it, because we need to eventually have their support.

**Katz:** Thanks, jim. Matt, come on up. Two issues that kind of struck me on -- they're relatively minor, but important to some people. The operation of the tram at night. Talk to us a little bit about that.

**Brown:** Ok, the operations plan right now calls for operation hours from 6:00 a.m. To midnight seven days a week. We think that probably at the peak hours, it will probably operate on something like a five-minute headway, but in offpeak hours it would be on demand. So I think when mrs. Hutchinson was talking about this earlier, you know, we don't want empty tram cars flying over the neighborhood, we agree. Why waste the power? Unless there's a demand for it or use for it, there won't be a need to run the tram. What she referred to, let's run it during business hours, and of course we've got a 24-hour facility at either end of the tram. From an ohsu perspective, business



**June 10, 2004**

hours is really 24 hours. We're anticipating an 18-hour demand. It may not pan out. There will be some night operations like that.

**Katz:** OK. There was another recommendation on studying the property values over a period of years. Is that something that you have been thinking about or the cac?

**Brown:** The c.a.c. Did think about it, and it's outlined in the report. One of the things that became clear to us, and again we commissioned Eric Hovey to try to answer this question for us in the middle of the process. Is there or isn't there an impact, and the answer that we got back, which is the correct answer is, we don't know. I mean, we're not going to know until the project's built. So if you want to go down that road, you know, you need to do this kind of ongoing evaluation. I guess there's -- again, it's two things that we're -- we would be kind of concerned with. One is how do you actually separate tram from other market conditions when you get out there? I'm sure there are very sophisticated market analysis people that could suggest some ways to do that, but it will be a very complicated thing. And then again, second, is what do you do with that information then? Do you craft a program that compensates people for any loss that you can attribute directly to the tram? You know, do you guarantee certain kinds of property values, you know, where if they do that. Again, we get down that same road of, you know, in terms of property owner compensation that we were discussing earlier. And I think from our perspective, if you were going to offer something, commissioner Saltzman's is the right one --

**Katz:** I wasn't going that far.

**Francesconi:** It's already passed. Matt, don't worry about it.

**Katz:** I'm going to push a little bit on that. Not with you tonight, because I think it's -- it's interesting we do that for other things, when we set up the environmental zone, people were concerned about their property and whether the property would increase in value or decrease in value. We do it -- I think we've done it on some of the light rail lines. Probably ought to be done here. So I'll take that little project on. All right. Any questions? There is no amendment on 674, is there? I didn't think so. We adopted commissioner Saltzman's amendment, commissioner Sten's amendment, so we're going to pass all of these tonight. 672.

**Francesconi:** This is actually quite a moment and it's a privilege to just be part of this council and part of this city at this time. We're trying to do three things simultaneously. I didn't think we were going to be able to do it with such style -- with such effectiveness maybe. We're trying to create a whole new neighborhood here, and it's really important that we grow up so that we don't grow out as we try to maintain the integrity of this urban growth boundary, but trying to enhance an old neighborhood that's been torn apart, or torn fabric, and yet we're also trying to meet important citywide, you know, needs of jobs, of our university, continuing to support research-based universities, and we're trying to do all three simultaneously. And the fact that we could end up here is a testament to tremendous work and persistence and patience and dedication of a whole lot of folks. I guess I want to start by acknowledging them right up front. I guess I want to start with the city employees. This is very -- this is the best work I've seen in eight years, 7 1/2 years since I've been here. And that goes -- it's been long and arduous, and it's been torturous but p.d.c., transportation, parks, planning, you know, all coming together with this to do this is a tremendous accomplishment and I wish the whole public and -- you know, at a time we're losing credibility with our citizens, I wish they could really understand how hard it is to do this, so I want to personally thank, not only my bureaus, but all the city employees. Secondly, you know, we're talking about other people's property here and other employers. And, you know, although there's disagreement still on formulas, I'm confident over time we're going to satisfy these, but, you know, the property owners were whip-sawed with different planning regulations over time, etc., and some changes. So I want to thank the property owners for their patient, too, and for hanging in this with us. And in the end their property values are going to be enhanced by all this. In particular, I want to single out

June 10, 2004

ohsu. You had other options, you could have expanded to forest grove, you had doubts about us both at the board level and staff level, but you also understood, here's an opportunity where you can really attract world class scientists, and you went out an limb and I want to thank you for that. You know, we had the pati board, all the citizens that sat on these committees and spent so much time and effort away from their families and practices, trying to help do this. This was done by a tremendous amount of citizens. Barbara walker has been working on this thing for 10 years. They hung in this with us to help us do this. They should really be acknowledged. The design competition folks. And then we also brought in an outsider. You know, which is good. We need some outside talent, Sarah, to bring us a world-class design, but also a functional design, helped with the healing with the neighborhood folks. That should be recognized. We need to look at more design competitions in order to bring in outside talent to expose us, but I also want to thank the citizens, from the city, but also from the neighborhoods. I mean, what the mayor said here at the end, you deserve a lot of credit. Now you're waiting to see if we're going to come up with the money for the pedestrian bridge, which I guarantee you we're going to do, and that's -- there's going to be some federal money, unless all our federal priorities continue to go in the wrong direction, there's going to be some federal monies, so that one you don't have to worry about, but it is a south Portland circulation study and beginning to implement that. So I would ask matt brown if the group wants him, to sit with that group, because we're ready to start planning for this, and we're going to do it in three different phases, but the first phase is the \$10 million to \$11 million project, and we owe that to you. The question here isn't just the torn fabric of the neighborhood. The question is the torn fabric of the city. And are we going to continue to pit neighborhood livability issues versus economic issues versus the whole city. You demonstrated here today, through a combination of employees working together, with citizens working together with technical expertise, that it's not either or, that we're going to progress together, and that's what we have to do as a community. So this tram with the pedestrian bridge and the citizen -- and the neighborhood improvements have to be viewed as a healing time when we move forward as a community. So, gosh, world-class, a greenway, gold standards, silver standards in leed, more affordable housing, a neighborhood park a world class greenway, all in just these acres, and providing a home for a research-based university here and the opportunity to help the neighborhoods. This is a good thing. This is a very good thing. Is there risk? Absolutely, there's risk in this project. Private developers have risks. The city's at risk. The politicians who support this are at risk. But there was risk when we did light rail instead of a freeway. And this is -- if we're going to advance the neighborhood livability and advance the future here, this is a risk worth taking. Aye.

**Leonard:** Well, i'm of two minds of projects like this. I grew up here. This summer i'll be 52. Grew up in inner northeast Portland. And I go back to when we had rose city transit and not tri-met and I used to get on the bus and come downtown and go to the -- go to the blue mouse theater and -- some of you remember that. I miss those days. And there's a part of me that really, in some way, kind of romantically wants to keep out development and does not want to see what Portland looks like now changed. I listen to a lot of friends who say that to me, a lot of supporters who have said that to me. We don't need to development like this, randy. Portland needs to stay the way it is, but then I can't help but think of when the g.p. Building was built, and remembering, wow, how could we ever get such a huge building in downtown Portland. It was originally the g.p. Building. Now the standard building. Light rail going in, as jim said, those of who recall, when that went in, was quite a risky venture for everybody involved. It was predicted to be doomed to failure, and anybody associated with it would be run out of Portland. But Portland does change, and it has to grow, but it has to grow smart. And I get that. And I think what we've seen here is a plan that is smart and balanced. And it's never lost on me when I hear people, particularly when we're running for office, something i'm still healing from, talk about jobs. You know, we need to create jobs, and

June 10, 2004

then turn around and criticize those entities that provide jobs. It's never lost on me, the irony in those kind of statements from people running for office. But you know what, this project provides jobs, provides good jobs. And to the extent that i've had concerns here is it not provide good jobs. To the extent i've involved myself on the issue of the work force development part is to make sure we're not using that issue as an excuse to pay people less than family wages and benefits. For whatever reason. But it does cause investment to occur with this project and it does create good jobs, and I believe ends up providing a stronger, economic base for the city at the other end of the project. But I was concerned about the issues raised by the neighborhood, from the first time I ran for office till now. I thought those were legitimate issues. For those reasons i've sided with the majority that you saw vote here today to offer to pay the -- whatever the value of their house is, for those who don't believe that this project is going to enhance their neighborhood. I think that is the fair thing to do. As you saw, there's not unanimity on this council on that issue, but on balance that was the fair thing to do. So for all those reasons and because I do believe that we are here, not just to fight for the current citizens, but future citizens, I vote aye.

**Sten:** Well, there's a lot that's been said. I'll be brief, because we've been here a long time. But I want to really compliment the group that worked -- I don't remember the exact time this came to council, but it's been here many times. I've always been some what unsure of whether this was the right strategy. I'm positive that we need to grow a knowledge-based institutions if we're going to have a economy. We need to clean the river, get the greenway back. I believe that a mixed income community, although it's tough to get affordable housing next to office buildings, I think it will be an amenity that serves us much better than what's at south waterfront now. We need to link ohsu. At first the tram seemed to me like a bold and great idea. Oh, my god, you could run people down the hill in a tram, that's terrific. Then I started listening to all the neighbors for a long time. I said, well, maybe I was too quick on that. It's not such a great idea. I still believe that it may just be the thing that kind of makes this institution, the river, all the pieces tied together in a unique and world class way. I hope i'm right on that. You can't be sure, but it's a bold move. And it helps me a lot today that most of the extra costs is being picked up by the property owners, whether you call them private in the case of down below where a public institution, ohsu, they're betting their own futures that this will work for their own institutions and real estate values. I believe they're right, but we'll see. I still have been bothered with the neighborhood issues. I really want to take my hat off and compliment, particularly the group of people, and you know who you are, who are against the tram, and decided once that decision was made decided to dig in and use it as a lever point to improve the neighborhood. I've been in coffees a long time ago, when I was first running for office, at jim's house and the talk was how can we leverage something to get this neighborhood back. There's always been a lot of talk about we've got to do it, but it takes some kind of impetus, whether this was the only one or not, I don't know, to get those kind of projects sprung. I really want to reiterate my commitment to you to fight to get these other tier one projects, and ultimately tier two, done, because I think that's when things happen. I'm not an economist and nostradamus, but I think that to be strong in the future we need to have to educational institutions and fight for knowledge-based jobs and tie those to unskilled workers in ways that these construction deals do. I think we do that. I think we're going to be hopefully a city that's world renowned for having unique approaches, great design, and all of these issues. Ultimately what's great about Portland is the people. I think that the way this project has come about, with a lot of stress and a lot of strain and a lot of risk on different parts, really shows that Portland can come together and try and -- if you think this is a lemon, make it into lemonade. If you think it was lemonade all along, make it even better. Bad analogy, but I think it's a better than it was and has a good chance of success. It's a gamble and a bet, but I think it's a solid one and I look forward to the next phases, getting the other pieces of funding is still the

**June 10, 2004**

missing piece of this issue. We've got to turn those good intentions into the actual plan that you're working for. Aye.

**Katz:** I think it's all been said, but I need to add a few things to it. I want to thank all of you who have been involved with this project. I want to thank ohsu. They didn't need to work closely with us if they were going to stay than on the hill. I think they were thinking of staying up on the hill, but finally figured out that if we could work together we could have some wonderful opportunities and synergy with the hospital at -- down on the land below the hill and our city as well. 10 years ago I walked into a room with people that were sitting there, waiting for my words of wisdom on this project. All I had then was a vision. I didn't understand much of what we discussed this evening. It was a vision shared by a lot of people, and a vision for me that if we were going to maintain our urban growth boundary, which is a prime interest to me, and if we weren't going to impact the existing neighborhoods, we were going to have to find land, whether it's the river district, the pearl district, railroad land, abandoned land, or land never used, contaminated, turning brownfields into greenfields, we were going to have to find those opportunities in the city. And we can't then -- what it will do for us, it won't have us impacting the neighborhoods, because we've also heard from the neighborhoods that if you're going to provide density for us, we object strongly. So the density that we're looking at now is in the pearl and the river and now in the south waterfront. A great city never sleeps. A great city never stands still. A great city shares its vision with its community and makes it very clear that we are going to work together to make it happen. A great city thinks about its future. All of you sitting in this room representing, whether it's the neighborhoods, the citizens, the institutions, nonprofit, for profit, I thank you, because we're all now part of making this a great city. This council is taking risks. We're all taking risks. Private developers are taking risks. Ohsu is taking risks. The city is taking risks. But without taking those risks, you will never become a great city. So thank you, everybody, and I vote aye. [gavel pounded] 673.

**Francesconi:** Just a couple of people that i'm going to -- matt, do you need something here?

**Brown:** I forgot to interest one thing into the record, just related to this item. Ohsu submitted a letter related to the report, and there's a couple changes with council's consent that i'd like to make just to make it consistent with the adopted marquam hill plan. There's a couple clarifications. For instance, making implementers that are in the tram report consistent with what's in the marquam hill plan. Same thing with transportation classifications. It wouldn't change the substance of the recommendations or anything that's in there, but with your consent i'd like to make those changes following the hearing.

**Katz:** I don't have them. I can't have the council making --

**\*\*\*\*\*:** You don't have those?

**Katz:** Let's see what you've got.

**Katz:** Matt, why you don't start in a few instances.

**Brown:** Ok. For instance, when we talk about the neighborhood project list, table 7.1, talking about the marquam hill road trail, and it's also referred to the marquam hill plan, there's a list of implementers in the marquam hill plan that includes pdot, ohsu, v.a., shriners and others, but we don't have those same implementers in the tram report. It's a matter of consistency. They're very minor.

**Katz:** Ok. Does everybody in the audience know what's in there? Take a look. They are minor ones. All right, roll call.

**Leonard:** Do you have to amend?

**Francesconi:** Do you want us to amend it?

**Katz:** Yeah, I guess he does. Ok, take a motion to amend.

**Sten:** So moved.

**June 10, 2004**

**Francesconi:** Second.

**Katz:** The motion is as amended. [gavel pounded] let's vote on 673 as amended.

**Francesconi:** I'm going to specifically name four people, i'm going to specifically thank, but you four people represent a whole group of people. One is cheryl twete for all the -- just the detailed work that you did as a staff. There's a whole lot of people like you and all the bureaus. The other is matt brown for all the work you've done, matt. Vic rhodes. And Jim Davis. The last and final comment tonight is I really do believe this tram is going to be a symbol of Portland. It's ironic and fitting that this week we had mount hood wilderness bill in front of us to protect mount hood and create more wilderness in mount hood. I really believe that mount hood, the pictures will be of mount hood and of this tram representing Portland. In many ways there's a lot of the land and the earth and the environment and the history and kind of the future here. But as I was thinking about the tram, what's an eiffel tower? What's an eiffel tower do? What's a space needle do other than have some restaurant? See, that's Portland. We're going to have an icon that serves people and serves neighborhoods and connects neighborhoods. And it was done by you folks. All of you folks. So our icon is something that serves the citizens. So thank you for all your work. Aye.

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

**Katz:** Mayor votes aye. [gavel pounded] 674.

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

**Katz:** Mayor votes aye. 675.

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

**Katz:** Mayor votes aye. Thank you. We stand adjourned. [gavel pounding]

At 6:43 pm Council adjourned.