



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **16TH DAY OF JUNE, 2004** AT 9:30 A.M.

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

Commissioner Francesconi arrived at 9:34 a.m.

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

Item No. 693 was pulled for discussion and on a Y-4 roll call, the balance of the Consent Agenda was adopted.

COMMUNICATIONS		Disposition:
676	Request of Bishop AA Wells to address Council regarding criminal violations (Communication)	PLACED ON FILE
677	Request of Dr. LeRoy Haynes to address Council regarding criminal violations of Kendra James and Perez (Communication)	PLACED ON FILE
678	Request of Genny Nelson to address Council regarding the death of James Jahar Perez (Previous Agenda 603)	PLACED ON FILE
679	Request of Charles Addy McGee to address Council regarding the James Perez shooting (Previous Agenda 604)	PLACED ON FILE
680	Request of Martin Gonzalez to address Council regarding criminal violations of Kendra James and Perez (Communication)	PLACED ON FILE
TIME CERTAINS		

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<p>S-681 TIME CERTAIN: 9:30 AM – Adopt the 27th Amendment to the Downtown Waterfront Urban Renewal Plan to acquire property for new fire station, mixed-use development and neighborhood revitalization (Ordinance introduced by Mayor Katz)</p> <p>Motion to adopt substitute ordinance: Moved by Commissioner Saltzman and seconded by Commissioner Francesconi.</p> <p>Motion to set this over for six weeks for invited testimony only: Moved by Commissioner Leonard and seconded by Commissioner Francesconi and gavelled down by Commissioner Sten after no objections.</p> <p>(Y-4)</p>	<p align="center">SUBSTITUTE PASSED TO SECOND READING JULY 28, 2004 AT 10:15 AM TIME CERTAIN</p>
<p>682 TIME CERTAIN: 10:30 AM - Accept the Stormwater Advisory Committee report on stormwater management policy recommendations for transportation-related development and develop an implementation workplan and process (Previous Agenda 606; Resolution introduced by Mayor Katz)</p>	<p align="center">CONTINUED TO JULY 21, 2004 AT 9:30 AM TIME CERTAIN</p>
<p>683 TIME CERTAIN: 11:15 AM – Wilson High School Class of 2004 presentation regarding solar heating for the Wilson Pool (Presentation introduced by Mayor Katz and Commissioner Saltzman)</p>	<p align="center">PLACED ON FILE</p>
<p align="center">CONSENT AGENDA – NO DISCUSSION</p>	
<p>684 Statement of cash and investments May 6, 2004 through June 2, 2004 (Report; Treasurer)</p> <p>(Y-4)</p>	<p align="center">PLACED ON FILE</p>
<p>685 Accept bid of Bengé Construction Company for the NE Martin Luther King Jr. Blvd. Street Improvement Project for \$1,766,885 (Purchasing Report - Bid No. 102919)</p> <p>(Y-4)</p>	<p align="center">ACCEPTED PREPARE CONTRACT</p>
<p>*686 Authorize application to the Environmental Protection Agency for a one-year grant of \$19,000 to fund outreach and education projects that improve indoor air quality in commercial and residential buildings (Ordinance introduced by Mayor Katz and Commissioner Saltzman)</p> <p>(Y-4)</p>	<p align="center">178484</p>
<p align="center">Mayor Vera Katz</p>	
<p>687 Proclaim Measure 26-53 enacted and in effect (Proclamation introduced by Mayor Katz)</p> <p>(Y-4)</p>	<p align="center">PLACED ON FILE</p>
<p>688 Confirm appointment of Steve Townsen as City Engineer designee to the Purchasing Board of Appeals for a term to expire July 30, 2006 (Report)</p> <p>(Y-4)</p>	<p align="center">CONFIRMED</p>

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<p>689 Accept contract with R.B. & G. Construction, LLC for construction of Fire Station No. 9 as complete, authorize final payment and release retainage (Report; Contract No. 34445) (Y-4)</p>	<p align="center">ACCEPTED</p>
<p>*690 Authorize application for a grant from the Federal Mediation and Conciliation Service in the amount of \$75,000 for the development of a Peer Mediation Team (Ordinance) (Y-4)</p>	<p align="center">178485</p>
<p>*691 Amend contract with Amburgey and Rubin, LLP, for outside counsel assistance (Ordinance; amend Contract No. 35188) (Y-4)</p>	<p align="center">178486</p>
<p>*692 Amend Intergovernmental Agreement with the Housing Authority of Portland for lobbying services for the Columbia Villa redevelopment (Ordinance) (Y-4)</p>	<p align="center">178487</p>
<p>*693 Approve cost of living adjustments to pay rates for nonrepresented classifications and Elected Officials, specify the effect upon employees in the classifications involved effective July 1, 2004 and provide for payment (Ordinance) (Y-3; N-1, Francesconi) Motion to remove the emergency clause: Moved by Commissioner Leonard and seconded by Commissioner Saltzman and gavelled down by Commissioner Sten after no objections. (no vote taken) Motion to reconsider and reinstate the emergency clause: Moved by Commissioner Francesconi and seconded by Commissioner Saltzman. (Y-4)</p>	<p align="center">178504</p>
<p>*694 Apply for a \$100,000 grant from the U.S. Department of Justice, Office of Community Oriented Policing Services, 2004 Technology Initiative to expand the Integrated Biometric Identification System (Ordinance) (Y-4)</p>	<p align="center">178488</p>
<p>*695 Accept a \$24,000 grant from the Oregon Department of Justice, Criminal Justice Division for the 2004 Marijuana Eradication Project (Ordinance) (Y-4)</p>	<p align="center">178489</p>
<p>*696 Amend agreement with Western Identification Network, Inc. for participation in the Automated Fingerprint Identification System to allow for use of additional equipment (Ordinance; amend Contract No. 51811) (Y-4)</p>	<p align="center">178490</p>
<p>*697 Authorize acceptance of 2003 National Brownfields Cleanup Grant from Environmental Protection Agency in the amount of \$200,000 for the remediation of Grant Warehouse property located at 3368 NE Martin Luther King Jr. Blvd. (Ordinance) (Y-4)</p>	<p align="center">178491</p>
<p>*698 Request and accept tax-foreclosed properties from Multnomah County for park and recreation purposes (Ordinance) (Y-4)</p>	<p align="center">178492</p>

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<p>*699 Authorize the City Debt Manager to re-set the Youth At Risk Golf Surcharge at \$0.50 and adjust the golf surcharge annually, based on a dividend model (Ordinance) (Y-4)</p>	<p align="center">178493</p>
<p>*700 Amend contract with Walker Macy Landscape Architects for South Waterfront Greenway Development Plan (Ordinance; amend Contract No. 34845) (Y-4)</p>	<p align="center">178494</p>
<p>*701 Approve final payment to Andersen Pacific Contractors for Wilkes Park development (Ordinance; Contract No. 35100) (Y-4)</p>	<p align="center">178495</p>
<p>*702 Grant revocable permit to Championship Auto Racing Teams, Inc. to close NW Johnson Street between 11th and 12th Avenues on June 18, 2004 (Ordinance) (Y-4)</p>	<p align="center">178496</p>
<p>*703 Authorize contract with Benge Construction Company and provide for payment for resurfacing NE Martin Luther King Jr. Blvd from NE Broadway St. to NE Lombard St. (Ordinance) (Y-4)</p>	<p align="center">178497</p>
<p>*704 Authorize an agreement between Portland Motorcycle Company and the Bureau of Environmental Services for sanitary service and connection to the Holman Pump Station pressure main (Ordinance) (Y-4)</p>	<p align="center">178498</p>
<p>*705 Extend term and establish not-to-exceed limit for contract with Mayes Testing Engineers, Inc. for overflow materials testing, special inspection, and engineering services for the Materials Testing Laboratory for FY 2004-2005 (Ordinance; amend Contract No. 34868) (Y-4)</p>	<p align="center">178499</p>
<p>*706 Extend term and establish not-to-exceed limit for contract with Professional Services Industries, Inc. for overflow materials testing, special inspection, and engineering services for the Materials Testing Laboratory for FY 2004-2005 (Ordinance; amend Contract No. 34869) (Y-4)</p>	<p align="center">178500</p>
<p>*707 Amend Intergovernmental Agreement with Multnomah County to provide Healthcare Provider Cardiopulmonary Resuscitation training for Multnomah County Health Department Employees (Ordinance; amend Contract No. 51842) (Y-4)</p>	<p align="center">178501</p>
<p>*708 Authorize application to the Department of Housing and Urban Development for a grant in the amount of \$3,000,000 for the implementation of lead-based paint hazard control activities and administration (Ordinance) (Y-4)</p>	<p align="center">178502</p>
<p align="center">City Auditor Gary Blackmer</p>	

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<p>709 Certify abstract of votes cast at Municipal Non-Partisan Primary Election held in the City of Portland, May 18, 2004 (Report) (Y-4)</p>	<p>ACCEPTED</p>
<p>*710 Authorize contract with Moss Adams LLP for financial audit and other professional services for FY 2003-04 and provide for payment (Ordinance) (Y-4)</p>	<p>178503</p>
<p>REGULAR AGENDA</p>	
<p>711 Tentatively uphold appeal of Brooklyn Action Corps Neighborhood Association overturn 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 (Findings; Previous Agenda 671; LU 03-176954 CU AD) (Y-4)</p>	<p>REVISED FINDINGS ADOPTED</p>
<p>712 Accept an Intergovernmental Agreement with Multnomah County for \$260,000 to provide energy efficiency services to low-income multifamily properties (Second Reading Agenda 666; Ordinance introduced by Mayor Katz and Commissioner Saltzman) (Y-4)</p>	<p>178505</p>
<p>Mayor Vera Katz</p>	
<p>713 Consider vacating a portion of N Arlington Place west of N Albina Avenue, at the request of Earl F. Bates (Hearing; Report; VAC-10015) (Y-4)</p>	<p>APPROVED CITY ENGINEER PREPARE CONTRACT</p>
<p>714 Accept the project submittals for the 2006-09 Metropolitan Transportation Improvement Program process (Resolution) (Y-4)</p>	<p>36226</p>
<p>*715 Authorize contract with Scoreboards Northwest to build and maintain a scoreboard structure at the Eastmoreland Golf Course (Previous Agenda 457) (Y-4)</p>	<p>178506</p>
<p>716 Create a local improvement district to construct street improvements in the NE 148th Avenue Local Improvement District (Second Reading Agenda 630; C-10008) (Y-4)</p>	<p>178507</p>
<p>717 Change the name of NE Clark Road between NE Glass Plant Rd. and NE 105th Ave. to NE Alderwood Rd. (Second Reading Agenda 668) (Y-4)</p>	<p>178508</p>

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<p>S-718 Amend Title 33, Planning and Zoning to clarify and improve readability without changing policy or intent of the original regulations (Second Reading Agenda 634; amend Title 33) (Y-4)</p>	<p>SUBSTITUTE 178509 AS AMENDED</p>
<p>City Auditor Gary Blackmer</p>	
<p>719 Assess property for sidewalk repair by the Bureau of Maintenance (Second Reading Agenda 670; Y1051) (Y-4)</p>	<p>178510</p>

At 12:33 p.m., Council adjourned.

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<p style="text-align: center;"><u>WEDNESDAY, 6:00 PM, JUNE 16, 2004</u> (NO MEETING WAS HELD AS THE ITEMS WERE PREVIOUSLY RESCHEDULED)</p> <p>720 TIME CERTAIN: 6:00 PM - Consider the proposal of Waybo Partners and the recommendation from the Hearings Officer for approval of a Comprehensive Plan Map Amendment and Zoning Map Amendment for an area located between NE 74th and NE 78th Avenues and between NE Roselawn and NE Alberta Streets (Previous Agenda 516; Hearing; LU 03-177121 CP ZC)</p>	<p style="text-align: center;">Disposition:</p> <p style="text-align: center;">CONTINUED TO AUGUST 18, 2004 AT 6:00 PM TIME CERTAIN</p>
<p>*721 Amend the Comprehensive Plan Map designations and change zoning between NE 74th and NE 78th Avenues and between NE Roselawn and NE Alberta Streets at the request of Waybo Partners (Previous Agenda 517; Ordinance; LU 03-177121 CP ZC)</p>	<p style="text-align: center;">CONTINUED TO AUGUST 18, 2004 AT 6:00 PM TIME CERTAIN</p>
<p style="text-align: center;">EXECUTIVE ORDER</p> <p>722 Reassign City departments and bureaus to the Commissioners in Charge (Ordinance)</p>	<p style="text-align: center;">178483</p>

GARY BLACKMER
Auditor of the City of Portland

By Karla Moore-Love
Clerk of the Council

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

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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 16, 2004 9:30 AM

[Roll call taken]

Sten: Good morning, everyone. We have a full agenda today. Mayor Katz will not be here today. She's out ill. We hope her the best in a speedy recovery today. We'll start with communications. Karla, could you please read 676. Bishop wells. Each person on communications will have three minutes.

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

Item 676.

Bishop AA Wells: To the honorable mayor Katz in her absence, and to each of you, our honorable members of the city council, I wish to thank you for allowing us to appear before you today. We further want to ask that we be allowed to speak in the order in which we're seated in the front row, if that is acceptable.

Sten: Well, we can pause the time, karla. Let me ask the council if there's no objections to having a different order than what's in the communications, and also i've been told that charles addy mcgee couldn't make it, and has a substitute. As a general rule, we don't allow substitutions on communications, but in this case i'd like to allow it if there's no objection on the council.

Wells: Thank you.

Sten: Why don't we start the three minutes again for the bishop.

Wells: Thank you, councilman. As you know, a number of concerns dealing with police safety and -- public safety and police use of deadly force that is a grave concern to a number of our citizens in our community. We're here to speak to those issues. This ad hoc committee is made up of a number of organizations, as you will hear, represented today. Our appeal to you is for justice for those members of the community. Who feel disenfranchised, marginalized with the feeling of living under a notion of tyranny. We acknowledge that there are bad actors in our community who must be dealt with, however we remain a nation of laws with checks and balances. Your body represents the highest official authority in our city government. And while you do not write criminal laws, as does our state legislature, you do govern all hiring, firing, as well as all sanctions and policy-making that govern all city employees. Thus a big portion of the equation of the community justice lies with you. We're here to call upon you, where you do have power as policymakers of this city to bring some balance to this equation of justice. As the law is presently written, officers are not criminally chargeable if in the slightest way they're able to say they were afraid for their life. Even when it furnishes out the suspect had -- turns out the suspect has no threatening item. In the past officers have not been charged criminally and has kept his job. We're here today to say this can no longer be the case. As it is presently practiced, the officer has no vested interest in not killing a circumstance at the slightest circumstance. At the very least the officer who pulls his gun may be made to think do I want to lose my job for pulling this trigger? It is so dehumanizing and appalling as it is now practiced, the officer is now able to shoot the person and while the person bleeds to death place them in handcuffs, turn them over, even with the internal organs hanging out of their body. Then call the paramedics, only as a routine, but having nothing do with attempting to save the life of the suspect as it is practiced and as they are supposedly trained. They're able to call their lawyer and place -- be placed on leave with pay, a vacation with

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pay. Then while the entire city says this is not -- should not have happened, the officer comes back to work with his pension and pay intact. At no point is the officer in jeopardy of losing anything. If an officer says that their lives were in danger, the criminal statute has given him the benefit of the doubt. The same carte blanche can no longer be extended to their employment. In the future the danger they claim the suspect -- they suspected must be born out in fact. And at the very least he must lose his jobs. The lives of our citizens can no longer be cheapened by the officer's poor judgment, if not also racism. If an officer thinks they're in danger and pulls the trigger, there better evidence there was a danger or the job must go. If an officer says that their life is in danger they have a right to protect their lives. However, in our society, other citizens lose that job for poor judgment every day. So must the officer. We are perpetuating an element of officers who like wild cowboy, assault citizens and then hide behind good officers, union contracts, statutes written in their favor, with the notion I want to go home safe. When a citizen is driving improper, he's given a ticket. He's never allowed to say look how good i've driven in the past. The ticket is issued because in this particular instance he was -- it was not done properly. The time has come for change. We call upon you to enact the recommendations we make today.

Sten: Thank you very much, bishop. This is 678.

Item 678.

Genny Nelson: Good morning, commissioners. My name is Genevieve Nelson. I work at 133 Northwest Sixth Avenue with Sisters of the Road. We're both a member of the Albina Ministerial Alliance Ad Hoc Coalition for Justice and the Alliance for Police and Community Accountability. The state of Oregon passed House Bill 2433 in 1997, expanding police authority to make stops, ask about weapons, and consent to search. Additionally, the law required law enforcement agencies to adopt anti-discrimination policies, collect data, and facilitate reporting of complaints by members of the community. A diverse group of 60 people representing law enforcement, defense lawyers, ACLU, minority representatives, and district attorneys from around the state developed a model policy for traffic stops, data collection and a complaint process. Two years later, in 1999, 25 police agencies and the heads of police unions, including the Portland Police Bureau, under Chief Moose, came together to sign a nondiscrimination agreement related to House Bill 2433. The agreement denounced race-based profiling and reiterated the commitment to implementing the bill, collecting data, developing training, education and community outreach and a complaint process. We were told in a Chief's Forum meeting the practice of racial profiling is seen as a large threat to community policing. If community members develop a distrust of law enforcement they will not be willing to work together to solve problems. Community groups need to be part of the curriculum and training that is developed. This will also help develop a better understanding between the community and law enforcement. Officer discretion is part of the job, but officers need to be trained and reminded of their accountability. Law enforcement agencies across the state are committed to fair treatment of all people. That's what we heard that day. Community members were asked to give it time to work. Then a blue panel, or a blue ribbon panel on racial profiling was formed in May 2000 by then Chief Kroeker. This panel presented its report explaining that data will be captured on police stops for research, then analyzed and discussed. The information will be entered into a database by the officers as they make these stops. Seven years from the Oregon House Bill that states we do not train, teach, endorse, support or condone any type of race profiling by any law enforcement agency or any other agency or individual acting in the name of law enforcement or public safety. We have a dreadful record of too little police training in Portland. 14 weeks of on-the-job training in any other profession would not by itself ensure quality. Cultural diversity training and training of officers to suspend to behavior, not race, can't be adequately or authentically covered just in a patrol car by an officer. Citizens would be alive today if state legislation, local signoff and data collection and analysis were all it takes to change behavior, but they're not, and it isn't. Thank you.

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Sten: Thank you. 679.

Item 679.

Morgan Dickerson(spoke for Charles Addy McGee): Good morning, members of the council. Mayor Katz in her absence. My name is morgan dickerson. I live at 14225 southeast 120th place, clackamas, Oregon. I'm speaking to you as the chair of the coalition of black men and a member of the ad hoc community for community justice. I'm also speaking to you as a concerned black male who's been stopped, just as mr. Perez was, for driving an auto that did not fit in the neighborhood it was driving in. Further, I speak as the father of a young black man who has had more than his share of police stops, one of which took place when he was removed from a tri-met bus and held as a suspect in a burglary when he was in high school. The description was 200 pounds, my son is 5'10", hardly 160 pounds, and very light-skinned this. Pattern has existed for more than years. The officers who choked tony stevens remained on the force. The officers who stole the t-shirts remained on the force. The officer who shot ms. James remained on the force and the officer who shot mr. Perez remains on the force. No citizen in this city should have to worry that his or her life is in danger when stopped by a police officer, and no police officer should have to fear for his safety when making such stops if he knows the community he's serving. The council can and must do something now to reverse this trend. This council can resolve to allow the police chief to terminate with cause any officer who violates good judgment by either using deadly force or not exercising good police or community judgment. You can do this either by resolution or ordinance to support the police chief in any terminations that he deems necessary that violate the 10 nets of good miss policy. This support must take the form of the council taking a firm stance of supporting the chief regardless of any outside body. Right is right at all time. Common sense should prevail. The entire council has the responsibility to support the citizens, and you must always support that which makes the citizens safe. Thank you.

Sten: Thank you. 680.

Item 680.

Martin Gonzalez: Good morning. My name is martin gonzalez. I'm president of the latino network. When I was 13, I took my first car ride with my sister. As we drove down the street, we passed another car, passed us, a police car passed, you know, up the side of us. Naturally I turned my head and looked at it. Immediately my sister scolded me, and said, don't turn around and look at the police. In texas, we were so afraid of cops that they would avoid eye contact with the cops to not attract attention. Attracting attention meant by getting stopped or beat up by the cops. Now I read the statements after the killing of james jahar perez i'm reminded might have childhood. According to the chief, an officer is a suspicious action that warrants a stop. In those statements chief foxworth defends pretext stops in spite of the fact that in Portland pretext stops amount to racial profiling. They can turn deadly in less than 30 seconds. What should I advise my children? I have brought them up to follow my sister's advice of not turning around to look at cops. Our culture is contrary to what's expected of local cops. Not eyeing the cops is not meant to be disrespectful, nor a sign of guilt. It is a cultural, in many cases it arose from a need to survive police brutality. All the latinos not raised in the u.s. can attest to similar experiences and conditioning. In their home countries many times there's no distinction between the police and the military. They're both repressive. This is an example of the kind of cultural information that needs to be integrated into academy training. Training that is desperately needed to prevent future tragedies. Otherwise behavior profiling will continue to be in effect, racial profiling. We are here to stand in solidarity with the african american community that calls for greater police accountability. The deaths of perez and james after traffic stops demand more, as do other deaths. The death in another traffic stop, and subsequent car chase by officer jeffrey bell, the same officer that killed a man, also cry out for more. Not more medals glorifying their role, but more police

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accountability, transparency in review. I urge you once again, the creation of a civilian police review board to look at shootings and death in custody. At a minimum, I urge you to oversee the appointment of a committee put forth by chief foxworth so that it's members are bound to public scrutiny and just responsible to the police chief. Communities must boulevard confidence and trust. I also urge you to require 22 weeks of academic training, including combination of field classroom and consultant training prior to the 14-week on-the-job training that the bureau now gives. Your leadership is crucial at this point to end racial profiling, build bert police/community relations and avoid more tragedies. Thank you.

Sten: Thank you. 677.

Item 677.

Dr. LeRoy Haynes: To the honorable mayor vera Katz in her absence and distinguished members of the Portland city council, i'm the reverend dr. Leroy haynes jr., senior pastor of allen temple church and acting chairperson for the committee for social justice. We come before this august representative body with urgent concerns about the state and future of the Portland police department and our city. There's a smoldering volcano of anger in many parts of -- anger in many parts of our community that continues to build with shootings of unharmed citizens of color and each police brutality case. This smoldering volcano continues to be fueled by the failure of the criminal justice system, the Portland police department, and the city government to effectively address this persistent pattern of police violence against unarmed citizens. Subsequently there is a breakdown in the level of trust between the officer who patrol the streets of our communities and the citizens who live in many parts of the community. This breakdown in trust continues to polarize our communities and is a major obstacle for implementing any true comprehensive community policing plan. The failure to effectively correct this pattern of deadly force against unarmed citizens as well as the unnecessary use of force hurts the ability of citizens and police officers to work as partners in the fight against crime and the other forms of violence in our community. We commend the proposed changes by chief foxworth and the commanders of the Portland police department, but they are not enough and too little to prevent another shooting of an unremembered citizen in Portland. We give credit to the many fine officers whose commitment and professionalism to community policing find themselves in a wedge between the authentic call of the community for justice and a small number of police officers who tarnish the department image and the badge they wear. Our community can no longer accept this reckless cowboy behavior by a few officer within the police department. A change must come. Not later, but now. These cannot -- things cannot continue as usual. There must be a transformation within the Portland police department and its policing of our communities. Therefore we stand in unity with each of the five speakers before you today calling on the mayor and the commissioners to urge immediate changes in training, policies, review, racial profiling, and the culture within the Portland police department and support for the resolution that we present today. And the resolution basically state that we further resolve that the council will encourage the Portland police bureau to severely discipline officer jason sery in the shooting death of james perez and encourage the officer to no longer work with the Portland police bureau. Secondly to ensure that all officers will receive cultural diversity training, which is approved by members of the community vulnerable to police abuse. Third, to demand an interracial profiling. And fourth to declare that all officers receive 22 weeks of training. We present this resolution for you to deeply consider, to reflect on and to prayer by, that our city may have an opportunity to re-establish that bridge that we once had between the police and the community. Thank you very much.

Sten: Thank you very much. And thanks to the whole panel this morning. We'll start with the consent agenda. I've had a request to pull 693, so we'll pull 693. Any other items, council members

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or the audience would like removed from the concept agenda? Hearing none, roll call on the consent agendas.

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

Sten: Aye. Consent agenda passes. [gavel pounded] Could you please read 693 karla.

Item 693.

Sten: Commissioner Francesconi?

Francesconi: Well, i'm going to vote for the b part, which is the nonrepresented classification increase, but i'm opposed to the a part, raising the salaries for elected officials now. Now's not the time with this high unemployment rate and with us having no money. So i'm opposed to a. I'm going to vote no on this.

Moore: This is an emergency ordinance. Is anybody from h.r. here?

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

David Reese: David reese. I'm here to suspend to any questions you may have.

Sten: Well, I guess commissioner Francesconi, did you want to make an amendment to this or should -- are we just looking for a roll call on the whole --

Francesconi: I think it would be better to amend it by taking out section a. Let me read the rest of it for a minute. Yeah, I think that's what i'll do. So my motion will be to remove the elected official side.

Sten: I have a motion on the floor. Is there a second? Hearing none, the motion fails. I'm going to take a roll call on 693 and see where that leaves us. Roll call?

Francesconi: No.

Leonard: Aye.

Saltzman: Aye.

Sten: Aye. 693 fails because it's an emergency ordinance, so at this point I would look for a motion to remove the emergency clause.

Leonard: So moved.

Saltzman: Second.

Sten: Just a second. Hearing no objections, i'm going to remove the emergency clause. David, did you have --

Reese: Yeah. We do have a concern about delaying this ordinance would result in a retro, probably need to be paid, and as a result more administrative costs for the portion that would be passed.

Sten: I assume commissioner Francesconi would understand that.

Francesconi: What's the added cost?

Reese: I don't know that. This is news to us this morning, that there was an issue, so we -- we can respond to the commissioner, but I don't have that information with us.

Francesconi: Why would there be an added cost?

Reese: You'd have to go back and have people added back as a retro for money that was already paid if in fact the adjustment happens after the effective date. If we're able to implement the change, let's say it's no nonreps alone, before the effective date, then that goes in and that there isn't a retro that needs to be paid.

Francesconi: I've expressed myself. The last thing we want to do is increase cost. Let's put the emergency clause back on. I've made my point, but i'll vote for it, even though I don't want to, for the sake of everybody else.

Sten: I think you have to remove and reconsider and amend this --

Ben Walters, Office of City Attorney: That's correct, commissioner Francesconi.

Sten: I have to ask you for a motion to reconsider and reinstate the emergency clause.

Francesconi: So moved.

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Sten: Do I have a second.

Saltzman: Second.

Sten: Any objections? Hearing none, the motion carries. And roll call on reconsideration of 693 with the emergency clause.

Francesconi: I just want folks to understand, these jobs, which are highly sought after, involved public service. And I think at a time that our citizens are struggling and at a time that we don't have any money for important city services, now's not the time to be giving ourselves raises. Having said that, the last thing I want to do is increase costs or penalize other workers for the city by delaying their raises. So to meet the good -- the majority of the council, I'm voting aye.

Leonard: Well, I worked in the legislature for 10 years where this was always a topic of discussion, and the salary there for most of the 10 years was \$1,235 a month for senators or representatives. And the effect was that either folks that were able to live meagerly on that served, retired, or wealthy people. I was very cognizant of the phenomena that it ended up creating in terms of the kind of people who would run for office. While I certainly appreciate commissioner Francesconi's sentiment, I do not -- I don't think we're at that point, but I don't think to ever get to the point where the only people that would consider serving on the city council is somebody so wealthy that the salary doesn't mean anything to them or can live so meagerly that the salary suffices -- and I don't think we're at that point yet, but that it would suffice to pay their bills, or retired folks. There's a whole swath of working class people out there frankly who can't run for the council if they can't make up whatever their wages are here if they run for office. So -- again, as I said, I appreciate commissioner Francesconi's sentiments. Aye.

Saltzman: Aye.

Sten: Aye. [gavel pounding] now that brings us to 681, which is our 9:30 time certain. Karla, 681.

Item 681.

Sten: Go ahead.

Don Mazziotti, Director, Portland Development Commission (PDC): Good morning, mr. President, members of the council. Don mazziotti, director of the Portland development commission. With me, Portland fire and rescue chief, ed wilson, and amy miller dahl, project manager for the downtown waterfront district project. I'll first brief you on the specifics of this action and then hand it over to chief wilson. You're being asked to approve the 27th amendment to the downtown waterfront urban renewal plan. This amendment was unanimously approved by the p.d.c. Board at their may 12 meeting. On June 8, the planning commission voted to forward the 27th amendment to you with a 6-1 vote and positive recommendation. And today, or at the next hearing, we request your vote on this recommendation. Before proceeding we have a substitute ordinance and new exhibits that need to be entered into the record. We will need a motion to substitute the new ordinance to modify language identifying the economic plan for Portland and a motion to amend exhibits, planning commission letter needs to be added, graham clark's planning issues document can be updated needs to be added, and p.d.c./city of Portland economic development strategy needs to be removed.

Sten: Do you have that in the packet?

Mazziotti: I believe it's been submitted.

Sten: Ok.

Moore: Substitute was distributed yesterday.

Sten: We'll take amendments at the end of the hearing.

Mazziotti: Our presentation will cover what this amendment does and does not do. The previous neighborhood planning efforts since 1999 and beyond and before and that have led to this fire station relocation then a fire and rescue will discuss timing and cost issues, site selection, future neighborhood involvement in the design, and finally I'll discuss the next steps. The 27th

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amendment, if approved by the city council, gives the p.d.c. board of directors authorization to proceed with the acquisition of block eight and to participate in the development of the new fire station. It's very important to note that a separate hearing by the p.d.c. board will be required at a future date for the actual acquisition and your adoption, if you do so next week, requires a 30-day waiting period before it takes effect. So there is time added internal to the resolution itself. P.d.c.'s intent has been, and continues to be, to acquire the property through negotiations. P.d.c. staff and the chair of the p.d.c. board are still in active discussion with h. Naito corporation, the owner of block eight. We've been in those discussions for 10 months. However, given the importance of the project, this amendment will allow p.d.c. to acquire the property through any legal means necessary, including condemnation, but only as a last resort. Again, that step, if necessary, would be the subject of a separate decision by the Portland development commission board at a later date. Your action on this resolution merely enables us, or gives us the authority, to acquire by any legal means necessary. The fire station relocation is not an isolated project or activity. The city council members are well versed in the background of the downtown waterfront development opportunity project and the necessity for a fire station number one redevelopment or relocation. However, I will briefly summarize the planning efforts since 1997 that have led to this recommendation. The old town/china town development plan was done by a group of city agencies, stakeholders and active neighborhood visions committee. It was prepared by thomas hacker and associates in tandem with shields obletz, eric hovey and others. It was adopted by the city council in 1999 and updated in 2003. The plan outlines a vision for the neighborhood. It includes the following specific recommendations. The old town/china town development plan calls for improvements to the burnside couplet in the planning stages now. Third and fourth street streetscapes which p.d.c. has funded and are about to begin construction, and extensive housing developments throughout the area. It outlines the vision for many projects and how they will link together and it is the basis for our proceeding forward to implement. It also called out specific recommendations that are being addressed here again today. For a public market to preserve and enhance the public market in the new market skidmore fountain/saturday market area, integrating with the adjacent waterfront park and recommends to pursue redevelopment of the fire station block itself, to improve naito parkway and provide better linkage to waterfront park and shows redevelopment on block eight and many other sites. The downtown waterfront doss project overlaps and completes the old town/china town development plan and it further develops a vision for improving the city edge of the waterfront. As you know, currently 85% of waterfront building edge between morrison and burnside bridges is surface parking lots or garage doors. The proposed view of the downtown waterfront development opportunity strategy is as follows. To summarize, the current fire station site, block 34, has been identified as the most critical location, the linchpin for revitalizing the area and under the burnside bridge and would bring 1,000 new residential units based on its terms. It would revitalize historic properties throughout the area, including the public market and skidmore fountain building, and the globe hotel renovation. It would address significant public sift issues in the area to bring people to the area 24 hours a day. I remind the council that this has the highest rate of tri-met stations located under the burnside bridge, the highest drug rate in the city. Downtown development waterfront projects have proceeded to pace. This slide shows the redevelopment projects completed since the inception of the urban renewal district. The city and stakeholders have agreed that the work in the district is not completed and the city recently extended the urban renewal district for another four years. We have about 3 1/2 years remaining. The old town/china town development plan provides and has provided for significant steps that we've taken to revitalize the neighborhood. Many projects have been completed by the development commission and its partners. These include the chinese garden, old town lofts, pacific tower, northwest sixth avenue extension and front of union station, among many others. And these projects have consistently increased the valuation, the

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property values associated with the properties adjacent or proximate to them. We have a series of proposed future projects to complete over the next several years. The current and future projects are shown on this map. The burnside couplet, third and fourth street streetscape, light rail match, naito parkway improvements, and in addition the implementation of the downtown waterfront development, in which the relocation of the fire station is key. Ankeny plaza revitalization and a public market, plus globe hotel redevelopment. Not shown on the map is acquisition of land for a parking structure south of the bridge. Saturday market relocation to a permanent plaza. Completion of mccormick pier. This graphic shows the housing developments completed in green, and those which are planned for in orange. Among those include the blanchette house, further implementation of the central city no net loss policy and the hotel alder among others. One of the key things that we're focused on is to reverse those conditions of blight which exist in the area by improving the area itself, by establishing pedestrian links under the burnside bridge, by improving property throughout the area and by alleviating the crime problem which exists throughout. If we're successful in moving the fire station, p.d.c. will undertake a framework plan that details the public goals in the area and will become the basis of an r.f.p. for redevelopment. There is as part of our concept a public market that would be established. We'll investigate the market's feasibility. We believe it's feasible. And we will do so, however, only if we're able to proceed with the fire station relocation, since that's integral to the design and square footage required. Now I'd like to turn it over to fire chief wilson.

Ed Wilson, Fire Chief, Portland Fire and Rescue: Thank you, don. Council president sten, members of city council, ed wilson, fire chief for the city of Portland. I'm here today to speak in support of the 27th amendment to the downtown waterfront urban renewal plan. After thorough consideration of Portland fire and rescue's emergency response and operational issues, it was determined that the only site that meets the criteria for relocation of station one, and it is consistent with the urban plan and the downtown waterfront development opportunity project, is the 3/4 block site known as bloc eight. One of the main reasons for this is that the area west of the river contains the highest concentration of unreinforced masonry buildings and has the highest population density within the city. The proposed relocation of station one to block eight will allow Portland fire and rescue to continue to serve this area with specialty teams trained in structural collapse, confined space rescue, trench rescue, high angle rescue, rope rescue, and dive rescue. The proposed fire and rescue facilities as envisioned by the development agreement and plan will provide the best possible outcome of assuring the provisions of rapid response, public safety, fire prevention services and the preservation of historic community assets. The deputy chief is with me today and he'll give you an overview of the station site selection process, but first I want to bring to your attention a key date that will have a financial impact on the project. It's important that council be aware that the key date is october 18, 2004. Portland fire and rescue must be in possession of the relocation site prior to this date. After this key date, unbudgeted inflationary costs estimated at over \$50,000 per month may force us to abandon the relocation plan and proceed with retrofitting the existing site, unless additional funding outside of the project budget is identified. At this time I'd like to turn the mike over to deputy chief john klum.

John Klum, Portland Fire and Rescue: Good morning, commissioners. Thank you for the opportunity to speak to you today. My name is john klum, Portland fire and rescue. I've spoken to all of you previously on the station advisory committee process and how we went through the systemic process of determining that block eight was the only site that was -- that met Portland fire and rescue's needs for relocation site. Just to recap what I've expressed to you at early meetings, in 1998 when the fire bond was passed, it allowed for the seismic and a.d.a. update grades of our existing stations and the construction of new stations and the relocation of some within their fire management areas or their response areas. During that initial part of the g.o. Bond tying into our

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strategic plan and strategic directions with our community interaction and outreach, we established a station advisory committee process for each and every one of the g.o. bond projects. Station one is also included within that. So station one advisory committee was established in spring of 2002, and was composed of seven members representing the neighborhoods and business representatives in the area that we felt were key stakeholders in the fire station one neighborhood, to involve them in the process. Initially we looked at an alternate site to relocation fire station one from its current site at 55 southwest ash, because we were under that assumption at that particular time that the grounds underneath fire station one, for retrofit. Earlier we did a sight specific that actually showed that 55 ash was feasible to retrofit. At that particular time the second phase came into play and that was when p.d.c. Approached us and identified that block 34, the 55 ash site, was a catalytic site for the downtown opportunities study to revitalize the ankeny plaza area. So at that particular time fire wanted to be a good partner within the best interests of the city and we looked at possible relocation sites as long as fire's operational needs were met. The operational needs were paramount on fire's decision in the process. We currently operate on a full mock at 55 ash, and through the process they developed site selection criteria that would look specifically at the needs of fire, both operationally and as far as the relocation effort. The top six core criteria in bold were each -- each site evaluated would have to meet all the criteria or else it was effectively eliminated. At that particular time the process went through looked at multiple sites through the evaluation process, took a systemic objective approach and evaluated each site specifically as per that core criteria. And their decisions were also supplemented with consultant reports that included geotech land use planning, environmental, design, and so forth. So they had the tools available to them. Society end result was through this process, looking at evaluating multiple sites, it boiled down to there's only two sites available that met fire's needs. The current site and block eight. Block eight was the only relocation site that met fire's needs and a letter was written for recommendation that fire would relocate, that block eight would meet those needs. One of the other key components of this is we look closely at all the geotech issues on both 55 ash and block eight and they were thoroughly explored. Public input, not only during the station advisory committee process is continuing, and will continue, and the public will be involved in the design process, all the way through the construction of fire station one. It's an ongoing process for public input. Just a couple other things to go over, because I know that time's valuable today, but Portland fire and rescue has delayed the renovation of our current site since the fall of 2002. And what that means is that there was only a certain amount of inflationary deals factored in the project and we're losing \$1,000 every day per every day of the delay. The longer we delay this project the less buying power we have for those finite bond dollars. Planning commission, and some other community representatives, have expressed issues through the open meetings with old town/china town and other key stakeholders in the area separate from the sac as far as egress/ingress noise issues. We're looking at solve the community's concern from an open forum as far as exploring as far as how fire can be a good neighbor in this project. Thank you.

Sten: Thank you.

Mazziotti: To review the budget for this project, the total budget is \$22,668,200. The p.d.c. participation is at \$10.5 million. Fire bond, \$11,668,200. This would be the central headquarter fire station that among other things would be the location for 125 new jobs that would locate north of burnside. The public benefits of the project are substantial. Obviously the first and foremost to the development commission is the promise to cause a -- have a catastrophic effect on private investment, particularly in historic structures and their redevelopment and reuse to the standard of which I think everyone in the community aspires, to improve the area north of the burnside bridge substantially and to stabilize that area in terms of safety. To create a critical mass of development that's been missing in the skidmore fountain area for at least 30 years. Gives us the opportunity

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then to address blight substantially, to renovate the historic globe hotel, to introduce a new state-of-the-art fire station, to increase public safety as i've mentioned, and we believe without moving the fire station we're unlikely to see significant investment along the waterfront for another generation. The fire station relocation in terms of next steps, we need to complete our negotiations to acquire block eight, assuming you give us the authority to do so. We need to acquire the site by late july in order to meet the october -- this is a mistake here -- october 18, 2004 date for possession of the new site. There would be a design competition then begun for the new fire station as chief clum has mentioned beginning in -- completed in the fall/winter of 2005. An r.f.p. of redevelopment of globe hotel in 2005. Construction of a new fire station happening and completed in the 2007-2008 time frame. We would to commit to continued neighborhood involvement and representation in this process as we believe we have. If we're successful in the relocation of fire station one, then we would proceed immediately to work on the feasibility of a public market in the ankeny plaza/skidmore building area. We would work on ankeny plaza redesign itself and establishing a permanent home for the saturday market, in coordination with the waterfront park comprehensive plan, which was completed a year or so ago. And as i've mentioned, we've put an r.f.p. out for the ankeny plaza/skidmore building area in october of 2005. We hope for your approval of the 27th amendment when it is considered next week on the 23rd. Be happy to answer questions or defer to testimony.

Sten: All right. Any further questions for the panel from the council?

Saltzman: Yeah.

Sten: Mr. Saltzman?

Saltzman: I guess I was presented with information yesterday by the naito corporation, an alternative design. And i'm curious to know what your thoughts are. I'm presuming this alternative design, it looks like it fully accommodates the fire station. It looks like the learning center would move across the street to the city garage lease space. So i'm curious, it looks like it may be one of those win-win situations, and i'd like to know if that's in fact how you perceive it. Is this something you've seen?

Mazziotti: Commissioner, we're definitely interested in a win-win situation. John or amy can answer, engine.

Klum: I'd like to address that. John clum. We've reviewed the naito alternate plan. We're very encouraged to see the fire station and administration actually sited on the block. It sends a message to Portland fire and rescue that in fact we would be a good neighbor and partner with the neighborhood. I look at that as a major hurdle right there. I evaluated it per the request of the old town/china town neighborhood association to look at the alternate plan on how it would work rather than on how it wouldn't work, which I did and effectively responded back through p.d.c. To the neighborhood association, and we have a copy of that letter for council to review. But to recap, there was some very positive aspects associated with that, the fire station program accommodated our needs for the drive-thru bays. Civic uses combined with a fire station is something fire's always been to exploring. The only issue, as far as the safety and security aspects of having our administrative component tied into fire station one and taking full advantage of the construction, because that in effect in an emergency is our command and control element tied to station one, but it's -- it's very -- it's very encouraging. The civic use is one of the other components. Possibly combining the museum and visitors information center to utilize the best resources of available staffing on that. The other issue with relocating the -- or siting the museum and fire and learning center across the street, the issues that we would want to explore further would be the basic safety issues of having young children cross a street to actually tour the fire station facility. But Portland fire and rescue is, again, encouraged and we're open to options as far as cohabitating with other uses on that property.

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Saltzman: Thanks. Is this something i'll ask don or amy? Does this present something sufficiently catalytic in getting a deal in the time frame you need?

Mazziotti: Commissioner, it's our hope that that would be possible. We have talked about many, many options over the last several months, and it looks promising. We would like to establish a firm price for the overall cost for the -- and mitigation requirement for the overall project. We have established another negotiating session for next monday. Chair hennessy is participating directly in those. And so we hope to wrap up those details by that time and in time for you to consider passage of the resolution before you.

Saltzman: And we own -- the city owns the old town garage, correct?

Mazziotti: That's correct.

Saltzman: Ok. Because I thought I saw somewhere in the correspondence fire is considered about not having leased property. Or you must have title to the property, but I guess city and fire, we're all the same family here, aren't we? If it's a city-owned garage, doesn't that make that much difference to fire, does it?

Klum: No. Commissioner, the alternative proposal showed that the administrative function would be housed in the globe hotel. There's issues as far as ownership.

Saltzman: That was fire administration, not about the learning center being in the old town garage, that concern.

Klum: That was -- that would be a concern, but more easily addressed because it is city-owned.

Saltzman: Ok. Thanks.

Sten: Further questions?

Leonard: I appreciate commissioner Saltzman's questions because I had the same briefing yesterday and up to yesterday it had been my understanding, and I think in fact was the case that the naitos were not agreeing just in principle about selling the property to the city for the relocation of the fire station. In my discussions with ed wilson, who I have highest regard for, I became persuaded that was the best spot for a fire station. It complicated my decision-making process yesterday by suggesting for the first time they had decreased the width of the gulf of disagreement between the city and their family by agreeing in principle to a fire station with the addition of the changes that commissioner Saltzman alluded to. I appreciate that we're going to continue to negotiate, and I guess we're going to have other folks testify here today, but I do have some experience negotiating and i'm familiar with the dynamics that occur if one side senses that it holds all the cards, it changes the flavor and sometimes outcomes of the negotiation. When both sides have something at stake, it can create a healthy dynamic to cause an agreement to look different than it might otherwise have looked and be favorable for both parties. I was impressed with the naitos' presentation and how they had envisioned that area that they have had so much influence in developing the way it looks now, and for that reason I respect a lot their judgment. So I find myself stuck in the middle here a little bit, because I want to -- I want both parties to sit at the table and earnestly attempt to compromise, to get to a place that we can have maybe even a better use of the property for everybody, including the fire bureau and the citizens it protects, but also that there is a dynamic in the negotiation where both parties are on some equal ground. And for that reason i'm inclined at this point not to support this ordinance at this time, but maybe set it over to some date in the near future so we can then have some opportunity to assess how the parties are doing at the table. And i'm greatly influenced by the behavior of both parties, whether I ultimately support this ordinance or not makes a big deal to -- a big difference to me how both parties are approaching the negotiations.

Sten: Ok. Any questions from the council at this point? I didn't hear a question, so -- was there a question there, commissioner?

Leonard: Uh-huh. Just a little sign.

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Sten: Thank you.

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

Sten: We will open this up for public testimony. And if the council is in agreement, I would be inclined to ask Mr. Naito, or whoever he would like to, to testify first.

Sten: Mr. Naito, I'd be inclined, you know, given this is your property, to get a sense of how much time you need. Do you have a sense of how much time you'd like?

Verne Naito: I believe we'll be brief, but there are several people, since this is somewhat of a controversial topic, a public taking always is, I think we have a number of people, but we'll talk fast.

Sten: I was trying to get a sense of -- usually we use a three-minute timer, but I could give you a block of time for the whole group, something like that.

V. Naito: Well, I'm willing to give up, you know, 90 seconds of my time and give it to someone who knows more about it than I do.

Sten: We'll give you 15 minutes for the presentation.

V. Naito: Thank you. Good morning, commissioners. My name is Vern Naito. I'm pleased to be here this morning, given the opportunity to testify before you on behalf of our company and behalf of myself and all the employees of Naito Corporation. We have our sincere wishes and respect and prayers for the recovery of M.I.K. Since my grandfather started the company, H. Naito Corporation, has always been concerned for the development of a vital central city. We've always tried to make well-reasoned decisions, thoughtfully considered with an eye toward the public interest. We think of ourselves as responsible business, operating in the public interest, and it's in that spirit that we've come before you today, asking the council to reject the condemnation proposal presented by P.D.C. and to embrace an alternate solution that will lead to a willing sale on Block Eight, also known as the Import Plaza Block, and the adoption of a more thoughtful strategy for the redevelopment of our neighborhood in Old Town. Today you're going to hear testimony from several people. Many of them are hired consultants admittedly, but they're also experts in their field. To my left, George Crandell is an urban designer. Karen Williams, who's been an adviser to us in the negotiations with P.D.C. and will give you an update on where the negotiations stand. Virgil O'Fallon of Star Park will have some comments on our proposal for parking in the area. There'll be some members of the Japanese American community on this issue. We have some folks from the neighborhood who will be speaking about how this unique quirky district, Old Town, has become a very vital, active place, and how a rushed, thoughtless proposal could gravely impact the progress we've recently made. And finally, because I rarely know what's going on in the company, we've brought some of our staff who actually have day-to-day working responsibility in the neighborhood to share with you brief observations. Today I'm here to say that our company supports the redevelopment proposals as presented in the downtown opportunities strategies for the area south of Burnside and we support helping the fire department find a good home. We know the importance of having a fire bureau in the heart of the city's core and although we don't think the Import Plaza Block is the best site, and the only site, we accept that the site could be made to work for the fire bureau and the entire neighborhood. What we're asking for this morning is a gift of time to make sure that the negotiations between Naito Corporation and the city are conducted in a thoughtful way to yield the best results for the area north of Burnside. From the beginning of our discussions with P.D.C., we've called attention to two key elements that we see as solutions to the neighborhood, addressing the parking -- or possible shortage of parking and designing a fire station block that can be an activating use within the neighborhood. We've worked with urban designers to come up with alternatives, one of which I've submitted for the record and has been handed out to you, and while these alternatives aren't perfect, these plans have sparked many people's imaginations about what could be in Old Town. We tried to offer some suggestions about how to achieve objectives and the plans I've

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submitted to you also show building a new parking structure to replace the lost half block of parking in old town on the site of the old chamber of commerce building that would serve the china town businesses, the burgeoning nightlife district and the classical chinese gardens. Now while we're not in the urban design business, i'm here offering solutions because our company has historically played a leading role in the redevelopment of the north burnside, and we're acting you to instruct your agencies to negotiate and not dictate and conduct negotiations as if they're trying to find a middle ground. And produce a win-win situation for both sides of burnside. P.d.c. we believe is asking you to make a rush decision, but you have the power and responsibility to substitute the gift of time, perhaps no more than three months, to produce a better result for Portland's future. We'd like to ask you not to mortgage the future of old town for the sake of downtown. Old town has seniority. I look forward to answering any questions you have about our ideas. With that i'll turn it over to sam naito, president of naito corporation.

Sam Naito: Good morning, commissioners. My name is sam naito. N-a-i-t-o. 2701 northwest vaughn street. I have just a few little remarks to make, and i'll make them very short. Since my father started the naito corporation, it's always been a solution-oriented civic minded. The decisions we've made have always been well-reasoned and always been in the best interest of our company, our customers, our city. We never rushed into a decision. Starting in 1960, development of the area, and currently the property is considered for condemnation, it was the center of our retail shopping old town/china town. It was the first successful business there after world war ii when the japanese american families returned to contribute to the future of Portland. I know that all of you can remember import plaza, and that's the business I started on that block eight. Along with my brother bill, i've worked to provide excellent sales and management of our properties. And we were the leaders in downtown redevelopment from 1960's on. Our record is restoring, managing historic property is strong. We've worked hard through several economic downturns to maintain the high quality of property and services and visionary planning. When supporting the japanese american plaza we worked tirelessly to place it near a business so many generations of families who go to the plaza can park on the property. So we insist on doing business truthfully and respect those doing business with us to do the same. Thank you.

George Crandall: I'm george crandall. I work downtown. My address is 520 southwest yamhill street. My firm, crandell and rambler specializes in revitalizing cities. We work in Oregon and around the country. Currently we're redoing downtown knoxville, tennessee. Downtown lincoln, nebraska. Downtown racine. Downtown oak park, illinois. Fire stations are always a part of these revitalization strategies, simply because they're an essential use to the downtown, but they have their down side. They do not have active street frontage, nor are they pedestrian friendly. So one has to be very careful about the siting. Most recently open our northwest broadway plan for p.d.c. We looked at siting a fire station in front of union station. The conclusion was it did not belong there because of the problems with the edge conditions and the fact that it was not pedestrian friendly. I don't think there's any argument that it would be great if the existing station would move. I think there's consensus about that. The existing station is a negative in the -- on the -- on any investment environment. And it needs to move. It's a negative because it is basically a vehicle storage warehouse. It has blank walls and it does not have active uses engaged the street. So we support the concept of moving the station, because it is a negative in that location. The problem arises when just you can move it three blocks down the street and all of a sudden it becomes a positive. Basically you've changed nothing. You have the same fire station. You have the fire moo see. You've got a small one there right now and adding a conference room called a learning center and all of a sudden it turns into a positive. So that was -- that was our concern. Now the naito corporation said to us, take a look at this. Is it a positive or is it a negative? And what can we do to accommodate it if it must go there? And what we want to do is take the time to make sure that we

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take a thorough look at the issue. And I have a handout which i'll leave with you, but basically we produced five memos having to do with the relocation. The first one being back in november. And we looked at the relationship of the fire station to street activity and obviously it was a negative because of the functions then within the station. Second memo in january talked about fire station site selection criteria, and those were examined then very carefully and we think that in fact there was some room for adjustment there. The third memo in january had to do with the fire station economic assumptions, and we believe that the stimulus projected was drastically -- I mean drastically overstated. The fourth memo then had to do with looking at other potential sites, and we did that. You will have a memo on that. And then finally we looked at the economic impact report and evaluated that in may of this year. And we found, again, that the case studies that were cited in that report did not support the move. This were not -- it was an apples and oranges kind of thing. Our conclusion was anyway you looked at it, if the station was inserted into the naito site, as designed, it would have a profound and negative impact on the neighborhood. So then the next question was, what could be done, in fact, to modify those impacts? And as sam and vern have indicated, how could we be constructive? And so you have a scheme then in front of you which does a number of things. We're calling it the alternative proposal. And it produces right now, with the existing design, you have about 600 feet of unfriendly uses on four block faces. That reduces it down to 200 feet on two block faces. It puts the fire bureau in the upper floors of the globe hotel. And they would fit. It provides a corner, corner uses at the corner of couch and naito parkway that are compatible with the japanese memorial across the street. And it places a fire museum and learning center on the ground floor of the existing parking structure where they've always had a chronic problem with leasing. And it provides replacement parking for the neighborhood. So we think this is a great compromise. We think that it solves the functional requirements of the fire bureau. And finally, final comment, I did have a look at a letter produced by the fire bureau saying, we're open to suggestions, but by the way the suggestions that you're making will not work. And so we certainly would support the comments that have been made about the need to negotiate in good faith, not condemn this project, because as soon as you do that you are going to end up with the original concept, and that is not in the best interest of downtown Portland. Thank you very much.

Sten: Thank you. Questions of the council? Thank you. Let's go to the sign-up sheet. Each person will get three minutes. Oh, you have two more. Bring them on up. Let's hold off on the sign-up sheet. How long had you need?

*******:** A little bit over three minutes.

Sten: Ok. So all three of you are part of the panel?

*******:** Yes, but each of us will need about three minutes.

Sten: We'll give you 10 minutes for the bunch.

Karen Williams, Attorney, H. Naito Corporation: Thank you very much. President, members of council, my name is karen williams, i'm an attorney. I represent the h. Naito corporation in its negotiations with the Portland development commission. The focus of the downtown strategy is on the area south of the burnside bridge. It is possible for you to support great redevelopment south of the burnside bridge, but without doing it bad at the expense of the area north of the bridge. The naito family's negotiations are focused on making sure the area north of burnside is not turned into a concentration of blight and repeating the problems that exist south of the bridge. The fabric of our city is a plaid, not a pinstripe or canvas. The concepts being discussed here reflect the appropriate preservation of a nightlife district that draws the young, creative industry employees Portland says it wants to attract. There was a comment made that delay will cost \$50,000 a month. However, the project groundbreaking is not scheduled until 2007. There is plenty of time to have a meaningful negotiation and discuss the concepts brought up into a george and the sam and vern naito without delaying the actual commencement of this project. In fact, the finances for this project are not clear.

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P.d.c. currently has bonds authorized by you in the downtown waterfront urban renewal area that will generate the \$10.5 million of the money that's needed for this project, however including redevelopment of the globe this project could easily cost p.d.c. \$16 million out-of-pocket. Don told you that the project was planned for since 1997, but the 1999 budget provided to you by Portland development commission discuss a million dollars for ankeny redevelopment and \$3 million for fire station redevelopment. If you look at this list in the letter provided for you by p.d.c. This morning, you'll see that there are things that this financial arrangement will result in you giving up, and there probably hasn't been an adequate discussion of those issues either. We hope that some additional negotiation time would present a meaningful opportunity to have those conversations with you. It is premature to condemn the naito property, because negotiations are, as you pointed out, finally actually starting to move. P.d.c. Will tell you that they've been in negotiation with the naito corporation for 10 months, however having the same conversation over and over is not a association. P.d.c. and naito corporation have started to move on their positions. P.d.c. is rolling up its sleeves and putting its skills to real problem-solving on the parking issue, which is a significant obstacle to obtaining a willing seller arrangement. In the past p.d.c. told naito corporation their sole answer was to let tenants use the naito city parking garage. This is not a solution. In the last few weeks p.d.c. has seriously started exploring turnitivity, which the naito corporation finds very hopeful and frankly which has caused the naito corporation to be willing in fact to move and find alternatives as well. This negotiation and similar discussions of other issues needs to be completed about before you decide to give authority to go to war if negotiations fail. My client representatives, vern and sam naito, have assured me and you in public and me in private that they are committed to real and productive negotiations with p.d.c. Please, leave the playing field level and allow this to happen. Finally, i'd like to draw your attention to and make sure you're aware of an email that I believe each of you has received from representatives of the league of the women voters, which encourages you to allow a level playing field for negotiation. Thank you very much.

Virgil Ovall: Thank you. My name is virgil oval. My address is 610 southwest alder street, Portland, Oregon. I've been involved in the parking and development process in Portland for many years. As I review what's taken place this day it seems patient to me that there is a way, as dan had mentioned, a win-win situation to acquiring the property needed to relocate the fire station. As an economic impact report states, the infusion of capital in the area should attract additional investor interest and serve as a catalyst for further new and redevelopment within the neighborhood. And that's just great. That should be allowed to happen. We favor the idea of looking at this issue as an opportunity to enhance the old town district in an a manner that protects the parking inventory instead of diminishes it. Much of the district's parking inventory is located on surface parking lots. As the district surface parking lots are redeveloped, structure parking will need to be in place to serve the district's growing needs. For example, besides the surface stalls lost to the relocation of the fire station, a full block of surface parking at fourth and davis is currently on the market and may soon give way to redevelopment. The site we feel lends itself well to a solution is the half block formerly occupied by the chamber of commerce and an existing surface parking lot. This underused property could be converted into a great positive active use with 150 to 200 parking stalls. It would support the chinese gardens. And with its retail frontage, provide attractive opportunities for new retail space to complement the chinese gardens and the district. This site would also support the emerging nightlife business in the district and eliminate a surface lot with structured parking. The elimination of other -- on other surface parking lots in the district needs to be taken into account. As a parking analysis shows, one solution is to expand the old town garage. I believe that this is a solution that may need to be considered in the future, in addition to a smaller garage on the former chamber of commerce site. Another use of the expansion of the old town

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garage would be to add residential units instead of parking stalls to take the best advantage of view potentials provided by its proximity to the river. I believe this would be the highest and best use of the old town garage and provide the city with a more valuable asset. My point here today is to say what makes this city the city that works is our ability as a community to work through these difficult issues. We support the acquiring of the property through negotiation. I agree with Randy's comments earlier, prior to the public testimony regarding how to have a level playing field and have the parties negotiate on an equal basis. Thank you.

Scott Weigel: President of the council, fellow commissioners, my name is Scott Wiegle. My address is 2701 Northwest Vaughn Street. I'm the director for Naito Property Services responsible for leasing Naito properties in Old Town. I've been asked by two property owners in the Old Town area to read, for the record, letters from them. They're not able to attend. The first letter is from Sam Pichue who owns property in Old Town. I've owned commercial property located at Second and Couch, Old Town, since 1975. I'm not in favor of the proposed fire station at the Import Plaza location because it does not belong in the retail area of Old Town. Not only does it take away the premium parking that is needed, but the noise and disruption to the business community will be greatly felt. The second letter I've been asked to read is from the owner of the Alexis restaurant in Old Town. Mayor Katz and fellow commissioner, I'm in opposition to the condemnation of the Import Plaza lot for the location of the new fire station. Parking is already very difficult and there are already few spaces on surface lots available. I've been in business for 25 years and fear that the loss of parking will impact my business. I have a couple comments as the individual responsible for leasing in Old Town of Naito properties. I've been in that capacity now for just over two years. There has been a significant transformation of Old Town and the commercial property in Old Town over that time period. Vern Naito mentioned earlier a burgeoning nightlife district. That is in fact the case. There are several new restaurants and bars in Old Town that are very viable commercial entities. We have on a given weekend, Friday and Saturday night, as many as 3,000 people that come down per night into the Old Town district north of Burnside. That is generating a lot of commerce for Old Town. There's also been comments made, and I think submitted for the record by other individuals, that the occupancy of the commercial properties in Old Town is very low. That in fact is not the case with respect to Naito's properties. It should be noted that the current occupancy of Naito's properties in Old Town is at 85%. That is also taking into consideration the loss of two key tenants in Old Town. Sarah Architects will be leaving, as well as S.O.J. Who is leaving -- or has already left Old Town. Finally there have also been comments made with respect to the lack of investment by Naito properties into Old Town and its respective properties. I'd like to point out for the record the capital expenditures by Naito Corporation into its properties over the last four years has reached \$5.5 million, including a \$2 million seismic retrofit of the Merchant Hotel building. Naito is in fact committed to the long-term investment of its properties. Lastly, in the 2004-2005 fiscal budget, capital expenditures for Naito property is estimated to be \$850,000. Thank you.

Sten: Thank you. Any questions from the council? Thank you very much. Let's go to the sign-up sheet. Each person will have three minutes to testify.

Moore: Come up three at a time.

Michael Zusman: Thank you. My name is Michael Zusman. I'm a third generation Portland native and am here on behalf of the Portland Farmers' Market on whose board I sat the last six years. I'm also an attorney in private practice for the last 20 years. I'm not being paid for my testimony. First of all, best wishes to the Mayor for a speedy recovery. We are here in favor -- on behalf of the market -- in favor of any proposal that allow for the revitalization of the Ankeny Square area and this by facilitate the location of a public market on that site. Last year the Portland Farmers' Market and the public market project representative entered into a memorandum of understanding, part of which would allow for the operation of a Portland Farmers' Market satellite market on any public

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market site that was to be developed. It appears to our board that the revitalization of the ankeny square area would be a critical piece to that. As it stands, the area's not particularly attractive for a public market and hence to the farmers' market locating one of our markets on that site. We believe that the location of a farmers' market as part of the public market would be beneficial to us and to the city and the city of Portland. Thank you.

Sten: Thank you.

Henry Sakamoto: Members of the council, my name is Henry Sakamoto, Southeast Gladstone Street. Today I'm representing the Oregon Nikkei Endowment, the nonprofit corporation responsible for the construction of the Japanese American Historical Plaza in North Waterfront Park. The Japanese American community is hearing about potential decisions by the city government that to date seem to have totally ignored the impact of those decisions on the current and historical interest of the Japanese American -- community. The projects being discussed will impact the Old Town area. The Old Town area has been given a reference as the Old Town/China Town area. This ignores the historical and racial diversity of the area before the United States government evacuated and interned persons in World War II. Before World War II, it was Japan Town. There were more than 100 small businesses operated by Japanese. There were fewer Chinese and among the other ethnic groups were Filipino, Greek, African American, and Gypsy residents. Most of you are too young to know that in the old days, Portland's China Town was located south of Burnside on Southwest Second Avenue from West Burnside to about Southwest Taylor Street. Not the present Old Town. The Old Town area is where many of the second generation Japanese Americans were grown -- born and grew up. So they have roots in Old Town. Secondly, the Japanese American Historical Plaza is perfectly located because it borders the Old Japan Town. Originally it was conceived to honor Japanese immigrants to Oregon, but it became a permanent memorial to the total history of the Japanese in Oregon, from immigration to raising their families to suffering the evacuation and internment during World War II and to returning to Oregon postincarceration and starting all over again to rebuild their lives. The \$500,000 project, the Historical Plaza, was dedicated on August 3, 1990. The funds were largely from Japanese Americans from across the country and from overseas. It is our hope that the projects will not diminish the historical perspective that still is part of Old Town and will not diminish the spirit that helped to make the Japanese American Historical Plaza a reality. Thank you.

Sten: Thank you.

Rich Iwasaki: Council members, good morning. My name is Rich Iwasaki, 40 Southwest 147th Place in Beaverton. I'm a third generation Japanese American. I and many other members of the Japanese American community have deep concerns about how this relocation process is evolving. As you've heard, the Import Plaza block has a long and rich history in the Japanese American community and certainly in the city of Portland. The reconstruction of the Import Plaza block should not be undertaken without careful consideration of how it will effect the local neighborhood and community. The Naito family and Import Plaza have deep roots in the community, which were established a long time ago. The positive impact that the Naito Corporation has had in the city of Portland is well documented, and at the very least they should be accorded the respect of having their voice heard and considered. I respectfully ask that the city council take a close look at all of the options. There are many aspects to this complex issue, but as many have already heard here I believe there can be a win-win situation here, if everyone involved is willing to really listen and seriously consider these options. Thank you.

Sten: Thank you.

John Beardsley: Counselors, my name is John Beardsley, 1155 Southwest Ash, Sweet 500. I've been a property owner in Old Town for nearly 40 years. I continue to encourage the efforts to relocate the fire station to re-energize our neighborhood. The news of the Naitos' offer is new to me and I haven't had a chance to review it. I hope that it bears fruit. I just encourage you to support

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p.d.c.'s efforts to improve our neighborhood. I own the new market theater building directly across the street from the fire station and the block north of burnside and couch. I also would be in location across from the prospective fire station. I can appreciate the move and believe it will be a positive effect on the neighborhood, both north and south of burnside.

Sten: Thank you.

John Root: John root, president, old town security. I supervise six armed security officers in the old town area. Old town security is the apparent company would be the naito corporation. During my time down there i've seen the nightlife district flourish, and our officers have impacted crime in the old town area, four-square-block area. We have patrols during the day and also during the nightlife district, and I see that area as much improved and growing. We have a safe area out there during the day with our officers down there. We push drug dealers out of the area and we've made it safe for patrons to walk around old town. I constantly receive feedback from the shop owners of the changes in the difference -- and the difference in the old town area over the last year. Thank you.

Sten: Thank you.

Dawn Trimble: Good morning. My name is dawn trimball, and my address is 200 southwest market street, suite 678. I'm here to speak on behalf of john russell, president of russell development and a property owner in the skidmore district. And a have a memo to read from mr. Russell. Thank you for the opportunity to testify. I'm sorry that a prior commitment kept me from being there in person. I have an intense interest in seeing fire station one relocated to two blocks to the north from two standpoints. First i've owned property in the skidmore historic district for some 30 years and i've seen virtually no improvement in the blight of the district. The blight, of course, is the plethora of asphalt parking lots which consume a large percentage of the buildable land in the district. No viable alternative for the elimination of the blight has been put forth until p.d.c. Proposed two years ago an ambitious neighborhood of housing that requires the current fire station site as a beginning. I was present at the initial meeting of p.d.c.'s national consultant team, including transportation experts and a representative of the national trust for historic preservation. I was impressed then with the expertise of the group and the extent of their ambitions for our district. Their proposals, which have been the subject of numerous meetings over the last two-plus years, seem to have captured the imagination of private citizens and public officials alike, and this work builds on the plans developed by the old town/china town neighborhood association, reflected in the old town/china town development plan of 1999. However, the cornerstone and centerpiece of the investment plan is the rejuvenation of ankeny plaza of which the current fire station site is a vital component. Just as importantly, the relocated fire station occupies blighted, mostly vacant land, for which no alternative development has ever been proposed. My second standpoint has been as cochair of the committee to supervise the reconstruction of all fire stations after passage of the bond measure several years ago. I can attest from my own experience that the fire bureau has very sophisticated measurements of response time when examining alternative sites. When he was the chair of p.d.c., we spent nearly a year working with the fire bureau on a number of sites in the area surrounding their current site, and the only site which met their criteria is the proposed one. I hope that you will appreciate the importance of the relocation of fire station one to achieving the ambition of the neighborhood. John w. Russell.

Sten: Thank you.

Marcus Simantel: Good morning, commissioners. I'm a retired farmer, here to speak about the proposed Portland public market. As a result, of course, i'm in favor of moving the fire station. A number of us that have been working on the public market effort are quite excited about the ankeny square site and with the moving of the fire station it looks like there's a good possibility that things could happen for the public market. As a member of the ag community, agricultural community, of

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course, i'm looking at another outlet for ag products, farm production, just as there's a smaller goop of us that are -- that is working to try and get more farmers' markets in Portland, so there's more outlet for farm production. There's also the issue of the country mouse and the city mouse, the urban/rural split, and I look at the public market as an excellent opportunity there for education in both directions. Commissioner Saltzman, you were instrumental in getting the multiple -- Portland Multnomah food policy council up and running, and you were gracious to appoint me to that. One of its recommendations, that you took a look at last october had to do with supporting the efforts for a public market. And so I would hope that you'd take those things into consideration as you're deliberating today. Well, actually next week, I guess. Thank you.

Richard Harris: Good morning, members of city council. My name is richard harris. I'm here today to talk in favor and support of the amendment on behalf of the old town/china town visions committee. After several most and numerous visions and neighborhood meetings to consider the merits of the proposed relocation of the fire station to block eight, the visions committee decided this give this plan its support in its april 14 meeting. The committee strongly urges support of the plan to move the fire station. One reason, with eyes on the street, it will provide a strong presence that enhances public safety in the new area. Two, the fire station will bring many people to the surrounding area. The plans call for seismic stabilization of the existing globe. A rehab of this historic building, returning it to active mixed use commercial, and housing space, is a very positive feature of this plan. The firehouse and fire offices will occupy a new structure with better accommodations, which is more efficient use of resources than rehabbing the old fire station. The relocation of fire station one will allow redevelop of the current site on ankeny plaza, possibly jump-starting redevelopment of the entire waterfront area south of burnside. While the visions committee supports the relocation of the fire station to block eight, we also want to make sure that the fire station redevelopment project addresses the goals of the old town/china town visions plan. The recent released economic report which solidified the visions committee support for relocation found that a fire station contributes to the revitalization of a neighborhood when it is accompanied by a mix of residential and retail development, thus the visions committee asked that the city, fire bureau develop a comprehensive plan for block eight that includes development of the globe hotel with housing on the upper floors, including retail, arts and culture historic use. We also asked that the plan address parking alternatives to support the entertainment/nightlife district. It's also a high priority to continue the saturday market in the neighborhood. Such a plan consistent with the visions plan and economic development plan, both previously approved by the city council. The old town/china town neighborhood thoughtfully reconsidered station of fire station one to block eight and believes that it can be a major part of improving the livability and economic vitality of our neighborhood. We therefore urge your approval of this plan.

Sten: Thank you.

Robin White: Good morning, members of the council. I'm robin white, executive vice president and c.e.o. of Portland boma. We're today in support of amendment 27, because we see it as a legal step that the city must take in relocation of the fire station and proceeding with the downtown waterfront urban renewal district, however we do want to read a short statement into the record. Boma and its members remain opposed to condemnation unless it is absolutely the last alternative. We're encouraged that p.d.c. and the naito corporation both appear to be working towards a solution to the acquisition of block eight that is good for the city, good for the neighborhood, and good for the property owner. We would like to add our support that p.d.c. look at the design alternatives for the site, including the one that the naito corporation proposed and any other responsible suggestions. We support the neighborhood's request to have a seat at the table in formulating and evaluating the designs and recognize p.d.c.'s commitment to have them involved. We understand the time restraints -- constraints in proceeding with this development, and our position envisions a

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process that while open to the public the stakeholders of the neighborhood would be handled in a timely manner that still enables the fire bureau to meet its october 18 deadlines. Thank you very much for your position.

Laura Barton: I'm Laura Barton with the Oregon Department of Agriculture, a trade manager at 1207 Northwest Naito Parkway in Portland. I'm happy to be here this morning to offer our voice of support on behalf of the Portland Public Market. Oregon's agriculture currently represents 17.2 million acres, \$3.14 billion of farm gate value and is vital to the state's economy, yet traditional outlets for Oregon agriculture products are diminishing as the industry is faced with increasing challenges of consolidation, globalization, urban encroachment and lifestyle changes. But with these challenges, a bright spot in Oregon agriculture is the increasing interest in growth and direct farm marketing opportunities and outlets. Farmers markets in the state have more than tripled in the past 10 years. And the Portland and Beaverton farmers' markets now have waiting lists for farm vendors. The farmers' markets and other direct marketing opportunities, while representing a small niche in the total picture, still added several million dollars of income last year to Oregon farmers' bottom line and the markets were visited by over 90,000 consumers last year. Urban farmers' markets, not only provide a source of income to our farmers, they provide a very important link between rural farmers and urban consumers. This link is valuable, because it helps Portland and all its urban citizens understand where food comes from and the value that farmers contribute to all of our lives, as well as our taste buds. The urban farmers' market shopper can come face to face with a farmer who might get up at 4:00 in the morning, to pick produce, drive a few hours, or in some cases even longer into Portland because that's where enough people that will buy the products to make the farmer's trip worthwhile and the time spent at the market pencil out. Shoppers can see, smell, and taste products at the peak of ripeness and flavor and converse with farmers that they might not otherwise ever think about or talk to in their busy day-to-day urban-based lives. This connection is very important for Oregon agriculture. It is as successful as the farmers' markets today, they also are not without challenges, including most lack permanent locations and they don't operate year-round. The urban rural gap is growing. A year-round facility where Oregon citizens can see, touch, smell, and taste its agricultural bounty would help strengthen further the link between the urban farm -- urban consumer and our rural farmers. We're so fortunate to live in a state with an amazingly bounty. A year-round public market where these products are showcased and sold can be a valuable asset to Portland and the entire state. We believe a public market will benefit Oregon agriculture and add our voice of support and thank you for your attention.

Sten: Thank you.

Harriett Cormack I'm Harriett Cormack, 1616 Southwest Harbor Way, downtown Portland. I've got more than 20 years of experience with the waterfront area, beginning with the management of design and development of the riverplace neighborhood where I've been a resident for many, many years. I've most recently been chair of the advisory committee to the parks bureau for the updating of the master plan for Tom McCall Waterfront Park. And that plan was adopted by this body just about a year ago. And the scheme for the mile-long park really concentrated on having two activity areas that would vitalize the use of that public space year-round. One is reinforcement of Salmon Springs and the other is Ankeny Plaza. And as the committee wrestled with the long ribbon of park, they were very concerned about the street and the uses on the opposite side of the roadway. The committee had a strong objective to encourage development of a residential neighborhood. I was invited to be on the P.D.C. development opportunities committee so it could take the park ideas and blend them into the redevelopment analysis. And that work really emphasized the importance of the fire station site that Ankeny Plaza, the historic districts, getting activity both in the public space and on the private lands would make a critical difference in the health of this part of the city. The notions have also influenced the plans that are becoming finalized for repaving and improving

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naito parkway, which has been falling away under the wheels of extensive use. So there has been a planning of park street and land together to create a very healthy neighborhood this vicinity, but all of the committees, all of the citizens coming together for more than three years have identified the location, the current fire station, as critical to achieving a new dynamism in this part of the city. I strongly support the amendment that is before you, because it does represent the authorization to continue efforts to relocate the fire station. It is a framework amendment, it is not an action to condemn at this time. It just said use all means, and it authorizes the ability to invest in a project on block eight. So as a longtime real estate professional, and as a concerned citizen that has invested many hours over three years in this endeavor, I urge the adoption of the amendment before you.

Sten: Thank you.

Beverly Booking: Good morning. I'm Beverly Booking. I'm the land use planner that undertook the parking study for p.d.c. For this area immediately around block eight to look at the implications of the construction of the new fire station and renovation of the globe hotel. My findings are summarized in the memo from April 6. Basically we did a study of three peak periods in the area. The typical weekday peak, from noon to 1:00. The Saturday afternoon peak associated with the operation of Saturday morning, which is just a few blocks away. And then of course the 11:00 p.m. to 1:00 a.m. Saturday night when there's a height of parking demand for action in the nightlife district. We also looked at three options for the renovation of the globe hotel. One for above -- above ground floor offices and two others for different types of housing. Essentially what we found was that the fire station, which is the major new generator of this project, would provide its own parking in the basement, plus a few dedicated spaces on the street. And so its parking demand would be made whole by provision of an equal amount of parking. This leaves the displacement of the 80 space now functioning on the lot that would be lost, and looking just purely at their function, they could be replaced by -- in the old town garage, which currently is running during the weekday and weekends at about within 25 space surplus. So even with 80 demand moving from the surface lot to the old town garage, you would still have a little margin of surplus. The only problem is on Saturday nights when the nightlife district has a tremendous demand as has been indicated by other testifiers, and there would be a shortfall and the displacement could not be handled in the garage, but we've identified the parking garage under the one Pacific Square building, the corporate headquarters of Northwest Natural, which is very, very busy during weekdays, accommodating Northwest Natural need, but not open on weekends and evenings, and there's 256 spaces that could be pressed into service on evenings and weekends to accommodate nightlife. If we looked just at the parking lot being displaced and the new fire station, we really do not have a parking problem. The globe hotel generates a modest amount of additional parking demand, depending on which of the three options would be undertaken, and unlike the fire station it doesn't provide any of its own parking. For that reason, it would lead to modest shortfalls during the weekday and weekends, and serious shortfalls on Saturday evening, and there are a number of strategies identified that could deal with that, but basically if you look at the two major issues related to parking, that is the demand by the fire station and the displacement of the current parking lot, there's not a shortfall problem.

Sten: Thank you.

Leonard: I do have one question.

*******:** Yes?

Sten: Please.

Leonard: What time does the old town garage close?

Booking: Oh, gee. I know that it's open -- I don't think it's open 24 hours, but it's open well into the night hours, and it certainly is open -- I think it may be open to 2:00 or 3:00 in the morning on weekends.

Leonard: I was told midnight.

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Booking: No, no. No, no, no, no. We actually did studies on Friday night and Saturday night to determine what the peak was, where we literally took readings in the garage starting at 9:00 at night until 2:00 in the morning, and it was open. That's when we discovered that the peak was essentially between 11:00 and 1:00, but it's open at least another hour.

Leonard: Ok.

Robert Bole: Hi. My name is Robert Bole. I'm testifying in favor of anything that happens with the redevelopment of Ankeny Plaza, especially the development of a market. I've been a volunteer with the Portland Public Market for five years now, and working on various issues there. One of the reasons that I'm a volunteer is that I live and grew up and worked around the public market in my native Philadelphia and I saw it was a really wonderful asset, not only for the downtown, not only for economic development, for tourism, but the community residents. When I moved out to Portland here, he was eager and very much interested in jumping at the chance of trying to replicate something of my youth out here and saw it was a wonderful asset to here. It was an asset in Philadelphia. I think it will be an asset here, not only for people interested in the high end cuts of meat and produce, all those perfectly beautiful pieces of fruit and vegetables that you see, but also as a place to get hard to find products in the community. That was especially true in Philadelphia of Italian, German families, as well as Hispanic families. While it may be true here in Portland of Vietnamese, Ethiopian, Russian families, it's a place where there will be an opportunity for every resident of the city to gain some benefit. Not just those downtown or in Old Town or in the Pearl. It's a place where there'll be food that will be mixing. Where food mixing you have cultures mix. Where you have cultures mix, you have people mix. And, you know, we have this wonderful, I guess, metaphor for the city as a home for us. And this is really truly completing the idea of giving the city a kitchen and a pantry. And who can't, you know, around a good table of food come together and discuss. So I think this is going to be, as it is in other cities, as what I understood in Philadelphia, was a great place for different cultures to meet. For the past ten years in Portland, worked in community development, through nonprofit agencies where I've done economic development, individual asset development, and as I can tell you from my experience in my life, my professional experience, that I think this is an interesting and I think a vital community development effort. And potentially very important to our neighborhoods no matter where people reside. It's a place where microenterprise will grow and be seated. It will be a place where our culture can come together and it's a place that not only redevelops economic development in the community but also in surrounding neighborhoods. We don't know yet the wonderful stories that will come out from the market and feed into the neighborhoods, of people that have never come downtown or never felt that they were a part of our -- of our agricultural community or economic development community or downtown community to come down and start a new business, hire people, and grow. And so through my experience and my hope, I really do wish to see any efforts that you can do to support the development of the market. Thank you.

Eric Hovee: My name is Eric Hovee. I've served as economic consultant to the Portland Development Commission on a couple of different aspects, first with the downtown waterfront opportunities strategy, conducting economic market feasibility analysis, and second with the plans for potential relocation of Fire Station One, both involved in tax analysis as well as in looking at the economic feasibility of a different reuse scenario. The purpose of my comments really is to address the tax revenue estimates and also give you a little bit more background on the rationale for the relocation of Fire Station One. We, as I mentioned, as part of the downtown waterfront development opportunities strategy, took a look at what are the implications of the build-out of that strategy over about a 20-year time period. And the implications are an increase in market valuation of over \$400 million in taxable assessed valuation in the range of \$215 to \$270 million over 20 years. What that means is between \$1.4 and \$1.8 million a year in additional revenue to the city of

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Portland, and the potential of \$5 million to all taxing jurisdictions. The payback for the relocation of fire station one becomes a payback in the range of 12 to 14 years for that \$10.5 million investment. Let me switch to talk for a moment about the rationale for the relocation of fire station one. In going through the downtown waterfront development opportunity strategy, we kept coming back time and time again to the kind of pivotal importance of the block 34, the current location of the fire station, as really a catalyst site for reinvigoration of housing, beginning to create a mixed-use neighborhood and encourage new investment in the old town/china town area where there's been little reinvestment or much less reinvestment than in other parts of the central city in recent years. It is the largest single site within that area to create a critical mass of additional housing development. It's critically important to re-energize ankeny plaza and also has clear synergies with the potential now for a public market. Because of its proximity of it to burnside, it does something else that was really just begun to be thought about as part of the waterfront opportunities strategy, and that is to begin to incent development north of burnside. As we moved into the second phase really of looking, then, at the logistics and issues associated with the relocation, it becomes clear that fire station one at its new home on block eight, if that materializes, also begins to create new energy and vitality in that area, a \$30 million investment, which is a real sign of investment confidence in old town, added employment and visitors on the site, and then the opportunity that begins to create for investment on other surrounding parcels. Thank you.

Theddi Chappell: Good morning. I'm theddi chappell. I was responsible along with sara architects for the impact study. There are a few comments I wanted to make. First of all, with regard to that study, it was a very thoughtful study. And the case studies that we selected, we selected specifically for Portland. And without exception each of those, when you introduced either a fire station or entertainment district into a residential neighborhood, you could have positive results. So it addressed the mix of uses and the fact that both of -- or different types of use can exist in a positive fashion. The report did not address specifically the design of the fire station, because I think that's yet to be decided, but its location and the mix of uses would be seen from an economic and investment standpoint as a positive one, both for that block and the community. And finally, regardless, which is hard for you to do, but for me as a real estate analyst, regardless of the political issues, the area could use and would benefit from the investment that would be provided by this redevelopment. That's all.

Sten: Thank you.

Graham Clark, Bureau of Planning: Good morning. I'm graham clark. I've represented the bureau of planning in discussions since the downtown waterfront development opportunities project began in fall 2002. I'm also now the district liaison for this part of downtown for the bureau of planning. I'd like to describe to you this morning the reasons why the bureau of planning and as of last week's planning commission vote, the planning commission, support the 27th amendment to the downtown waterfront urban renewal plan. We believe a new fire station at block eight is desirable and that the site is the right one, chosen through a thorough and inclusive process. The old town/china town visions committee support is one of many indications of the strength of the concept. I want to make it clear that the design guidelines process and the design commission would not allow such a building to be built on block eight. The central city fundamental design guidelines and the skidmore old town district design guidelines would require different approaches to the streetscape. While a new fire station is clearly a good thing, and supportive of comprehensive plan goals, this big idea is of transformative redevelopment around ankeny plaza. To fully appreciate the big idea, I must take you briefly to the project problem statement, which as I paraphrase it goes something like this. The area is Portland's only national historic landmark district. It has the best collection of cast-iron structures west of the mississippi river. But the district suffers an image problem. There are perceived and real public safety issues and the

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atmosphere for retailing has been slipping over the last several years. Project was launched in the konz. Of the tom mccall waterfront project plan and presents an opportunity to strengthen the waterfront's built edge as well. That was the concept behind the development opportunities project.

As the planning commission considered the extension of the downtown waterfront urban renewal plan, the skidmore old town area was the focus most often identified as an area in need of more investment. Some testifiers even described the area as continuing to suffer from blight and others this morning have described the continuing presence of surface parking lots in the area. The downtown waterfront development opportunities project envisions as many as 1,000 residential units around this area, but they're dependent on these catalytic front end moves, including this block eight, the fire station move to block eight. Briefly the planning commission supported the proposal in the context of the comprehensive plan and they found that it is the first step in a broader strategy for the skidmore old town historic district improvement, the catalytic residential infill next to ankeny plaza and of the downtown waterfront in general. Thank you.

Sten: Thank you.

Ron Paul: Members of council, ron paul. Here today representing Portland public market. And all of you as public policymakers have dealt with what is called nimby. When the public process began almost five years ago, we were forced to coin a new name in lieu of nimby, it's pinmbia, put it in my backyard. The two leading sites that emerged for the market after careful demographic and economic study, as well as transportation analysis, was ankeny square. The other being the 511 northwest broadway building. And the continued study of ankeny square and the revitalization of it obviously was connected completely to the relocation of fire station one. We're pleased that negotiations are continuing and we want, as a public market advocacy group, to encourage those to continue. We also want to explicably link the revitalization of ankeny square with the eventual relocation of the fire station and the public market looks forward to being an integral part of the catalytic redevelopment that that would allow. Your decision in the coming weeks really is setting the stage for development and creation of a public market that can impact that area for a century. When we began the project, we did a quick history of public markets in Portland and learned that from the founding of Portland in the mid 1800's, uninterrupted until 1941, Portland led north america as the home of public markets. Since 1991, we have been without a true public market and we look forward to the opportunity of recreating that tradition on ankeny square. Thanks.

David August: Good morning, commissioners. My name is david august, 300 northwest eighth avenue in Portland. I am the chair of the station advisory committee for station one administration and also sit on the bond oversight committee for the buyer, g.o. bond. My comments that i'm going to make do not reflect the position of the committee, but these are my own comments, just so that is clear. I don't know whether or not you will vote on this amendment today, but I just want to give you a little history here. This process, at least as far as the station advisory committee is concerned, started in july 2002. We made our original recommendation on december of 2002, january 2003. We made our most current recommendation in september of 2003, after Portland development commission, basically had to show our committee clearly that there was a good reason for us to change or original recommendation. And the owners of that responsibility lied with Portland's development commission, and they did make a persuasive case. I'm speaking out as a taxpayer, because here i'm looking at, we're now virtually two years into this process, and we haven't gotten very far along. We're really pretty much at a standstill. And I would urge you either to go ahead and to pass this amendment so at least there's some framework in our mind if you're going to delay passing it that you set a deadline for both parties so that this does not drag on open-ended. The taxpayers are really the ones that are getting it in the end, because this is two years of 38. We already know the construction costs are going up astronomically, and this is basically not in the best interest of the taxpayer. Thank you.

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Bing Sheldon: Good morning. My name is Bing Sheldon, 123 Northwest Second Avenue. I'm here, I guess, speaking for a number of reasons. We performed a study for P.D.C. to examine the impacts of siting the station on Block Eight. You've got a copy of that. I've sat on the SAC Siting Committee. Mr. August just spoke about that. We've had our offices in this neighborhood for 32 years. First I'm going to tell you what I think off the top of my head. I think that it's good that there appears to be an apparent agreement on all parties about siting the fire station here. I'd like to move beyond that question and just say that I think it is equally important now to complete these negotiations in a timely manner. Why is it important? Well, you've heard some of the reasons. I think some of the other reasons is that the fire bond levy imagined replacing these obsolete facilities with seismically upgraded facilities a long time ago. And Fire Station One is probably the most important linchpin in the whole system, and any undo delay in replacing that facility, which today would be in serious trouble if there was a seismic event, and that in turn would cause serious trouble for downtown, is an important issue that you as council members have to take into consideration. The neighborhood needs this to happen for again all the reasons you've heard. There's been really stagnation in this neighborhood for years. So this development would be positive. I think Portland is a pretty unique place. Most people who live here live here because they choose to. Part of the reason this is a unique place, at least in my opinion, is our commissioner form of government. You people sitting up there, making the kind of decisions that you make. And I would submit that you have a decision to make here, whether you make it today or tomorrow, and it probably isn't going to be an easy decision in the end. I would like it to be, but it may not be. In that event, I'm just asking you, make the decision. That's what makes this place work. You have the authority and I hope you have the conviction to go forward. Thank you.

Bob Naito: My name is Bob Naito, 721 Northwest Ninth Avenue. I actually started working in the import plaza when I was 15 on Block Eight, and so I have a little less than nostalgic view of the building since I swept the floor and stocked the shelves. I worked for H. Naito Corporation for 20 years. Our offices were in the old White Stag building. Some of you have -- were in those offices. I parked in the old town parking structure. I think I'm pretty familiar with the working/living situation down there. I've served on the boards of the neighborhood association, the business association, the visions committee, Portland Saturday Market. So I think I'm qualified to testify about the relocation. I'm speaking today on behalf of a majority of the shareholders of H. Naito Corporation. In fact, these shareholders own almost 2/3 of the stock in the corporation. Sam and Vern Naito control the company and we have no influence on the position they've taken thus far in opposing the fire station relocation. But I want you to know that we support the relocation of the fire station. We believe that it would be in the best interest of the city, of the old town/China town neighborhood, and in fact of the corporation itself. Furthermore, if P.D.C.'s unable to negotiate the acquisition of the block, then we would support condemnation. If you don't go forward with condemnation, then two development opportunities are going to be lost here. The first development opportunity is the development of Block Eight. Sam and Vern have said that they have no plans to redevelop Block Eight. Furthermore, they've said that Block Eight is not developable until the heliport leaves, which by the way is sort of an interesting observation since the port of Portland built its headquarters on the other side of that same heliport. What you're doing if you delay this -- this relocation of the fire station is seeing that nothing happens there, and the project on the old fire station site, on 55 Southwest Ash stops, too. Sam and Vern's arguments against the relocation don't hold water, and if the condemnation were to go through, P.D.C. will wind up paying fair market value for the proper. If they can't agree on that, then Sam and Vern will have their day in court. What concerns me is what Commissioner Leonard was talking about with a level playing field. My sense of the negotiation, Commissioner, is if you run P.D.C. and the city down to the end of this period when they have to acquire the property, and don't give them the ability to condemn the

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property, then that level playing field becomes a playing field that's very much not in the city's favor. And I believe, and i've sat through hearings here and at p.d.c. commission and at the neighborhood meetings, I believe that p.d.c. Is negotiating in good faith and has been for nine months. And I think we're at the point where \$400 million of development -- and this speaks to commissioner Francesconi and the problem with unemployment in the city and the lack of economic development -- two people are standing in the way of that huge investment in a neighborhood, in a city that really needs it. Thank you.

Moore: That's all who signed up.

Sten: Any questions? Terrific. Let's bring the staff back up. Probably p.d.c. and perhaps the fire bureau. And this will -- we have some housekeeping amendments that were offered. Maybe i'll start with those and see if there's a motion to adopt the amendments that don mentioned at the front end of the hearing.

Saltzman: I'll move adoption of those amendments.

Sten: Is there a second?

Francesconi: Second.

Sten: Any objections? The motion is passed to move the amendment. So we've got the amendments in there. This will move to second reading for a council vote next week, but first i'd open it up for any council discussion, when there's any other council amendments that the council would like to have considered prior to moving it to second reading.

Francesconi: I guess I just -- i've been listening. I guess I just have a suggestion. First of all, this is a big idea that needs to happen. And the council needs to make a tough decision to make it happen. The question is, can we execute a big idea that doesn't run over a family that's helped contribute historically to building this city? So the question really becomes when does the council make a decision, not whether the council makes a decision. I mean, the benefits -- we've had repeat from prior testimony, but the reinvestment in housing that this will allow, the development of ankeny plaza that this will allow, the ability to execute the farmers' market, which will be really terrific, the ability to connect the downtown to development in old town, the ability to enhance the park and put eyes on the park, as well as housing. Thinks a big idea that needs to happen. Now in my reviewing the negotiations, and talking with people, I think there has been movement, and I think john clum did a very nice job summarizing that. We now have a map that shows from the naito family that the fire station should be there. We're not talking about other sites. We're talking about this site. We can't delay this to such that it cost the taxpayers added money or doesn't happen. Both parties need a level playing field in order for this to happen. So I am prepared to execute, to vote for the condemnation if i'm convinced that the naito family is being unreasonable and is not cooperating in their negotiations. As i've reviewed the negotiations and seen the history this far, I think it's taken us a while to get to this point, but i'm seeing movement. And I think p.d.c. Has a lot of talent and ability and maybe because there was no movement on the naito family, not focused yet as specifically as it can be on putting this to conclusion. But i'm very -- i've talked to both p.d.c., and they're ready to do this. They've met with this, and rather than pointing blame at anybody, the point is we have an opportunity to capitalize this, execute a big idea without rolling over a family. Have what I would suggest is we just give 30 days, or whether it's 30, or i've heard commissioner leonard suggesting 45 days, we just give a period of time, a little longer than a week, because i'm not convinced we can do this to the benefit of a very important neighborhood in just a week, give 30 days, which is what I would prefer, but if people want to do 45, or whatever, and all we have to do is just hold it open for that vote, and at that point i'll be prepared to make a decision. If the parties aren't executing either in good faith or they've come up with a proposal that's -- that's not going to work, either, which very well could be the case, because I think there's some proposals with the current proposal, but -- there's some problems with the current proposal, but that would

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give us 30 days, the fire department's done their part, they need to see if the proposal would work, but it's now in the hands of p.d.c. and the naito family and then we make a decision. To me that's a win-win situation. It creates a mechanism for a level playing field and we can treat the parties fairly, including the naito family. That's what I would suggest.

Leonard: I'm going to move to set this over for six weeks.

Francesconi: I'm prepared to second it, but i'd like to hear discussion.

Leonard: I'll discuss it as soon as I get a second.

Francesconi: Second.

Leonard: I agree with the sentiments of commissioner Francesconi. There are two issues for me here. One is that we've seen movement on the part of the naito family from not agreeing to selling the block at all to agreeing to selling the block with the development that looks something like what they've proposed. And what I want to do is encourage that kind of thinking on the one hand, on their part. On the other hand I do not want to send a message that if we are sitting down, negotiating with them to acquire the block, that we have the hammer known as condemnation that actually makes the playing field unlevel. Having said that, much as commissioner Francesconi has said, if we come back at the end of this time period and i'm just speaking for myself, and I learned that the naito family has used this as an excuse and a delaying tactic, I think you can predict where i'm going to come down. On the other hand if I become convinced that the other side is just waiting till the six weeks expires to do condemnation, I can't support that. I mean, if we're not both sitting at the table, earnestly looking to find a middle ground -- and I would remind both sides that a compromise isn't where one side gets its way. Try to find the highest and best use of that land that will in fact create a synergy for that part of town that can cause economic development that we all want to see, I think that's where we ought to be. That's where i've been since we begun this process.

So i'd like to -- and for those who think 45 days isn't enough, now I remember back in -- I think it was 1990, we had been negotiating with the city for a fire contract for well over a year, heading to arbitration when bud clark told the city's negotiators I want a deal by tomorrow and in 12 hours, starting from scratch, we put together a proposal that in over 12 months we couldn't get any traction on. So i'm a real believer that when everybody's motivated to find an agreement it will happen. And i'm actually encouraged by the signs that i've seen here in the last two days that we can do that in a way that is respectful of the fire bureau's needs, to have the highest an best use for a fire station in terms of response, but also respectful of a family that by all accounts has contributed greatly to the livability of Portland. I'm i'm cognizant of that as well.

Sten: Let me clarify. We have a motion and a second. We're this discussion of the motion. I'm going to take a roll call on the motion once getting done with discussion. Commissioner Saltzman?

Saltzman: I just want to comment on the motion. This is the step we need to do. I will support this motion, because I do believe if we were to support -- pass this amendment next week, I don't think there would be any further discussion. I think all indications would be the p.d.c. Commission would condemn this property and be on with it because you've got a july 8 deadline and everything else. I think negotiations, it seems probably more occurs in the 11th hour of negotiations, clearly, than in the preceding 10. And we are in the 11th hour here. I think this 45-day period and the discussion we're having today does send the signal to both sides that we want serious movement by both sides. I do think the proposal, at least the acceptance now of naito corporation of the idea of a fire station there is a big step forward and I think it's going to require the fire bureau, in particular, to come to grips with perhaps some issues. I've read your june 10 memo to the neighbor, and frankly some of your concerns don't wash. I mean, I don't think there's any need that the fire learning center and museum can't be in the old town garage. It's not a lease space. It's owned by the city. So we accomplish city ownership. Concerns about young children crossing a busy street.

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Northwest davis is not a busy street. There's no stoplight. It's a four-way stop. So there's a lot of things in there that would lead me to believe if we didn't have this discussion now and sort of say, let's get to a deal, we'd be looking at a condemnation within three or four weeks. So it's going to take some give-and-take and compromise to get there, but I think the ability is there. And I want to see it. And I think i'm still not at a condemnation, where I could support condemnation, because I like all the big ideas, I like all the potential for catalytic development, but I still don't see the compelling public purpose, which I believe narrowly finds where I support condemnation. I mean, these are all great ideas. They're all big ideas. But i'm not -- i'm not convinced these all fall into a compelling public purpose definition for my -- to support condemnation. But having said that, I want to see what happens in the next 45 days, and I could change my mind.

Sten: A couple questions from me. Any other questions from the council? Don, could you just comment a little bit on the timeline? I think you've heard a majority would like to wait 45 days. The question is, how are you going to handle that?

Mazziotti: Well, it ultimately relates to the drop dead on october 18 when the d.d.a. Goes out of existence once signed, because that's the start date for the project. We must begin acquisition process by the end of july to get it done in a timely fashion. So the timeline could eliminate options we could have to acquire the property as against the drop dead date. I think -- I mean, there's no lack of will on our part to try to come to a win-win outcome. I think bob naito put it quite well. There's only one site that qualifies for and meets the fire bureau's standards that they went through. There's only one site that we are interest in acquiring by virtue of those criteria having been resolved. If I had my druthers, there would be other sites, but i'm not part of fire and rescue. I'm not on the -- I didn't construct the criteria. That's -- that's what these guys do. That's what we pay them for and expect them to accomplish, so I defer totally to them on that matter. Our job is obviously to try to make this work for the neighborhood and for the community and do so in a way that doesn't disrupt, you know, the traditions of the city. We think we've been doing that. We have seen the may 24 alternative and examined that in great and elaborate detail. We're meeting on monday to talk about what we believe is the appropriate and reasonable response to that possibility. And so we would not stop our negotiations under any circumstances. We've made a public pledge and I think we're obligated to always continue to do everything short of eminent domain and would do that. I don't think it's unreasonable if the council understands we have to operate under the limitations of the drop dead date. Our own budgetary limitations, because I don't see us compromising affordable housing, for example, to build a parking structure to replace 80 spaces. We have to get reasonable about it, and we're prepared to do that. I compliment the naito corporation on their willingness to come forward and do the same thing. I'm not going to negotiate in public. We'll happily go back and talk to them.

Sten: Ok. One question for commissioner leonard. It's a thought in my head. The original intent, if you really look at what's in front of the council, is essentially to let's just put everything on the table, to defer the issue of condemnation to the p.d.c.

Leonard: Yeah.

Sten: That's what it does. It gives them the authority. I think you've essentially changed the dynamics, which i'm totally fine with, because when the mayor talked to me, it's the same question, and to some extent you actually put the question on the council's table as opposed to putting the date forward 45 days. You didn't say i'm going to look to the p.d.c. to decide. You said essentially i'm going to make my own decision whether condemnation is warranted.

Leonard: Right.

Sten: Maybe the most appropriate thing is to have the council make that decision. That's what essentially you're doing. I just want to ask you if i'm reading that right.

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Leonard: Well, in fact, that is what we're being asked to do today, was to make a decision with respect to condemnation. The fact we vote on it means we're responsible ultimately for that decision. I guess what I'm saying is that I feel very responsible, then, in the delegation of that authority to make sure that it's not misinterpreted to mean that in fact the p.d.c. can go ahead and condemn without truly trying to find some middle ground. I suppose I'm -- I've just been involved in enough negotiations that I appreciate the fact, and I certainly don't criticize --

Sten: If you really want to set up the dynamic, you might as well just say the council's going to decide on the condemnation.

Leonard: Let me finish my thought and your original question. I appreciate the fact that p.d.c. Comes and says please give us this tool. I would do that as well. But that also gives them an advantage, a distinct advantage at the bargaining table, so that when you're sitting with the party you're bargaining with, you're saying out here I have ultimately the ability to decide this on my own. So they really don't have the ability on the other side to demand a whole lot because ultimately the p.d.c. Can just condemn. What I'm saying is I want to make that a little more uncertain for p.d.c., whether or not they can condemn, so as to motivate the p.d.c. To bargain and find a halfway -- but I also commented, and I want to remind you that I commend -- I'm also sending a message to the naitos that if in my opinion also they're using that just to delay having the station built with the idea of getting their way, that will influence how I vote in six weeks as well.

Sten: There's a cleaner way to do what you do, and to speed up the process to make it fair, which is to say in 45 days -- I'm brainstorming on your motion in discussion here -- rather than in 45 days, let's pass an ordinance, why don't we give the two parties a set amount of time to decide and let the council make the decision.

Leonard: There's no incentive for the p.d.c. under that scenario to concede anything.

Sten: I think there's absolutely way more incentive than what you're proposing, because they face the prospect of having to carry three votes.

Francesconi: I think you're actually practically saying the same thing, because the p.d.c. isn't going to condemn this unless we thorough it. We're saying the same things here, folks.

Sten: I'm not so sure.

Saltzman: I'm comfortable with what you suggest, just keep the decision here, or make the decision here in 45 days.

Leonard: Yeah. I am, too toying I am, too.

Sten: Just cuts to the chase. If we want the two sides to get together and get a deal done. From my perspective, and the only thing that worries me on time, as the person who's had the assignment of looking out for the fire bureau as the fire commissioner, there's a point that delay creates real money, and we've agreed to get to the leed standards. Not that we shouldn't. The project is ambitious, and there is a point at which the extra months will cost extra in the design.

Leonard: I misunderstood. Are you asking that we change the motion somehow so we cut the timeline of whatever we decide going to the p.d.c. And we just decide here?

Sten: I'm throwing it out for discussion. I think it makes more sense than instead of saying in 45 days we're going to give the p.d.c. 45 days to condemn.

Leonard: I misunderstood. I'm fine with that.

Walters: Before that motion is made, a point of clarification. The 27th amendment brings the property within the boundaries the urban renewal district without it being brought into the urban renewal district the p.d.c. Does not have condemnation authority. It's bringing it in the with urban renewal district that authorizes them to go forward. So the effect of the amendment is to give them condemnation authority. Delaying this has the effect of, as commissioner Sten is observing, putting off that. So ultimately the first step of this process is in the council's hands. And there's a follow-

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up step in terms of the commission authorizing the litigation, but they can't proceed until the amendment occurs.

Leonard: But the only purpose of the 27th amendment is to provide the p.d.c. With condemnation authority?

Walters: That's correct.

Leonard: If we just delay the decision it has the same effect.

Walters: It has the same effect. So there isn't a need to modify the motion. Legally it has the same effect.

Mazziotti: Mr. President, could I comment? And I hear everything that is being said in terms of let's just, you know, bring it to the council. This does introduce a new issue. And that is it then requires that the city bring your participation into the negotiation, which I think will substantially delay our progress. I think we are representing you. We're your agents in this case under the urban renewal plan, and the city bureau involved, fire bureau, is there. And so I would argue that it isn't really necessary, mr. President, to do that. We'll follow whatever guidelines you provide us as commissioner Leonard has suggested.

Sten: Ok.

Francesconi: That the better course.

Walters: I do have one other point of clarification. Commissioner Leonard, for the purposes of the council clerk's scheduling of this, is your motion to continue this first hearing, first reading, for six weeks, or is it to continue or schedule the second reading for six weeks?

Leonard: No. It's to continue this hearing. Unless there's something we can do to amend what we're doing here, in addition to that, to encapsulate what commissioner Sten --

Walters: That would put the second reading off for seven weeks, and then a 30-day period after that.

Leonard: Right. But you're presuming I'm going to vote yes when it comes back in six weeks. That's my point. I think this needs to be some uncertainty about that on the one hand from the city's side, but there should be some certainty that will happen from the naito side if they don't do what I'm suggesting they should do.

Walters: Well, if this is a continuation of the first reading, then this would not be a vote in six weeks. It would be read once more, or the hearing would be reopened and sent to second reading.

Francesconi: Do you want another hearing or do you want to vote on what our positions are? I think we should just vote.

Leonard: I don't know what my position is until I find out how the negotiation have gone.

Francesconi: Can they give a report without opening it up for a -- in other words, can both sides just give us a report? I think the answer is yes, isn't it?

Walters: If that would be the council's preference in terms of the procedures at that second reading, yes.

Francesconi: I'd rather not have a third hearing. Today's hearing, I heard most of the testimony already. The last thing I want is another one.

Leonard: What I'm asking for is in six weeks basically to make a judgment about where we're at with respect to how hard both parties have worked, how fruitful those negotiations have been, and how earnest both parties have been, to help me decide how I would vote.

Sten: Commissioner Leonard, would you be open to a friendly amendment to your motion to delay the second reading of this ordinance for six weeks with an expectation that the council will have invited testimony, but not a public hearing?

Leonard: That presumes we're going to vote today.

Saltzman: No.

Sten: Do I hear such a friendly amendment.

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Leonard: Yes.

Francesconi: Second.

Sten: The amendment passes. We'll have a vote on an amendment by commissioner Leonard, seconded by commissioner Francesconi, that would move that the second reading of this ordinance would be heard six weeks from today.

Moore: That's July 28. It would be 10:15 time certain.

Sten: We'd have a time certain of 10:15 on July 28, and we will not have a public hearing, but we'll take invited testimony from the key parties. That being said, roll call.

Francesconi: We've got to the right place. I believe p.d.c. Would have negotiated without jumping immediately to condemnation, which would have caused delay anyway. Now we're saying to both parties, let's work this through, continue the momentum we have to come to a win-win situation. Nothing wrong with that. Aye.

Leonard: Aye.

Saltzman: Aye.

Sten: I think this is a good result and I look forward to both sides bringing us back something that we can make a decision upon. Aye. [gavel pounding] the motion passes. We'll have a second read on item 681 on July 28 at 10:15. Thank you, everyone. That gets us to 682, our 10:30 time certain.

Item 682.

Saltzman: Mr. President I'm going to ask that that be set over to a future council meeting and move directly to item 683 time certain.

Sten: Hearing no objection, this will be set forward. 683 time certain. If I could ask everyone to take your postconversations outside, greatly appreciate it.

Item 683.

Saltzman: I'm pleased today to welcome George Penk, who is a teacher at Wilson High School, and several representatives of the Wilson High School class of 2004. Who have been working with parks, Portland parks, offices of sustainable development, and some very dedicated students and a teacher to promote the idea of solar heating to the newly-renovated Wilson pool. I think they have some good news for us today. With that, George, did you want to speak first?

Claire Hillier: Hi. My name is Claire Hillier, a current graduate from Wilson High School and also the student bodies activities director. Every year the senior class at Wilson High School has the desire to donate a gift to the school, a mark of our legacy. When we were discussing the many options of where and how to donate our senior gift, we were introduced to the option of solar paneling for the upcoming renovation of the Wilson pool. Solar paneling would not only lengthen the swimming season, it would also be the single most cost effective and efficient use of our funds. The solar paneling would work in all daytime conditions, even with 40 to 50% cloud coverage the sun energy will work tremendously. The most positive element of this project is the fact that we will -- we will be banking on a source we already have in our community. All we have to do is to apply the technology to get the best results. When you decide to become dedicated to the idea of solar paneling you still have many options to choose from. One I feel most beneficial from Portland parks and recollect and Wilson High School would be the use of rubber paming systems. These panels would lie flat on the roof with pipes in which the water would run through continuously and the water's preheated and put back into the pool where it can meet the desired temperature. This system would be even more cost friendly than the path we are currently following. Rubber paneling, or perhaps a combination of tubular and vacuum systems, both cut out the electricity conductivity steps, which saves us money, and the water will be heated and stored until needed. These systems will have zero operating costs and almost no need in maintenance. Another wonderful plus to the project is the idea that the panels will pay for themselves in the years to come.

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While the price of fuel will never stay stable, the amount of heat coming from the panels will always be steady and dependable. This is the most economically and ecologically option for our gift. By putting our senior gift toward the completion of the solar panels for the wilson pool, we're not only updating old resources, we're yet again being a role model for the entire city of Portland and setting a path for other high schools to follow, while pushing Portland to the role of a leader in environmental appreciation and advancement. The option of solar panelings will never be out of date. The time to act is now. We've put forward our contribution. Now we need you to get on board with this project. Thank you.

Dillon Savage: My name is dillon savage. I'm a member of the wilson class of 2004 and also of wilson's stus for environmental action group, or s.e.a. S.e.a. Has been interested in this project ever since we found out that the wilson pool is going to be reconstructed. We saw it as a positive thing, a potential for a move toward greater sustainability under the current system -- or the former system the pool was heated by the same boilers as the school, which was inefficient and re constructing the pool presented an opportunity to do away with that and come up with something that would be more efficient and better for the environment, if only through the -- you know, the inclusion of a more efficient boiler which is what the plans call for now. While we're interested in solar is that in general we're interested in promoting methods that, you know, promote decreasing negative, you know, human impacts on the environment and moving in the direction of sustainability. In general we promote the principle of thinking globally and acting locally, and promoting the inclusion of solar gives a perfect at any time to apply this principle, both because obviously it's part of our community, it's local, and the global piece is, as I said, the move toward sustainability, which is something that must eventually be approached everywhere, not even -- or not only in the city of Portland, but worldwide. In this case it makes long-term economic sense. Obviously fuel isn't getting any cheaper. This would give us an opportunity to decrease the amount that is spent on fuel. Including solar is obviously not the ideal solution, but from an ecological perspective it's the best option available to us. You know, I don't want to exaggerate about the amount that -- or the effect this would have in the big picture, but it's a good solution and it's practical. But above all, our greatest hope for -- you know, in terms of potential outcomes of this, in addition to all of the practical benefits of including solar, is potentially setting a precedent through which, you know, what's right for the environment and what's right for the community being placed ahead of what's cost effective or most prudent in the short run, and maybe even the realization that, you know, what's right is prudent in the long run. And so in addition to all the practical benefits, but we really want to encourage the inclusion of solar, which is that type of thinking.

George Penk: My name is george penk. I'm a teacher at wilson high school. Been this for the past 20 years. My children attend school in the wilson district. Our family participates in hillsdale community. Takes lessons at the wilson pool and enjoys the livability of the neighborhood. I take this time to speak to you as a member of the wilson faculty and as an adviserer to the school's environmental club. Thank you for the opportunity to discuss this and additional thanks to the parks department for the environmental considerations they've put forth during the planning phase. Much time and effort has been dedicated thus far by richard bausch and other parks officials to study the feasibility of solar panels. It seems like a perfect fit to heat the pool with solar, but it does come down to funding, and here's where the creative funding should be close at hand, and that we need to act soon before the chance is lost. The city has an opportunity to access sizable tax credits offered by nike, also funds from the energy trust of Oregon, and now a donation of \$5,000 raised by the wilson graduating class of 2004, but these remain unused unless the city of Portland steps up to make its own commitment to the solar project. It is important for the leadership in the city to bring these interested financial parties together. We're often looked upon as a city by our willingness to address environmental issues and to place livability and sustainability above other short-term

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interests, a financial commitment now would likely be paid back after say 10 years by some of the estimates, and then continue to provide relief from ever rising fuel costs from then on, not to mention reducing pollution in our city. For the money to be dedicated to project now it would make long-term economic and environmental sense. If the go-ahead is given, the city has the opportunity to be a leader in the region. In fact, if all 100 proposed solar panels could be included in this project, this would be the largest solar installation in the northwest and other communities would likely look to us for advice on similar sustainable designs and environmental issues. I strongly urge your support before it's too late as demolition of the old pool began just last monday. An important group of citizens, the youth of our community, would like to see our commitment to solar implemented, and in particular the student body at wilson high school. Thank you for the opportunity. And if the time's appropriate i'd like the students -- group of students to present the check, a formal presentation just to -- if they could come on up.

Sten: Any questions from the council? Why don't we -- I think this is a presentation, so we don't need a roll call.

Saltzman: Parks commissioner.

Francesconi: Why don't you come with me.

Sten: On behalf of the mayor, who's not here today, let me thank the students of wilson high school. This is wonderful.

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

Sten: Thank you very much.

Saltzman: Thank you very much. Appreciate it.

Francesconi: If it's all right, commissioner, we do appreciate this very much. I've talked to parks about making this more solar. And we want to do this. I've talked to commissioner Saltzman, who's really been taking the leadership on these types of projects. There is the cost -- I actually want to thank the voters. It was the voters in the parks levy. We prioritized. Parks pass a lot of issues in terms of maintenance and capital projects, but we prioritized wilson pool. We set aside a certain amount of money and tole the voters it was going to cost so much. It is right, over a 10-year period, you get some returns, but we're trying to figure out how to do this, so we're working with commission Saltzman's office. But this really helps us make it more solar. What I said a second ago, let me talk with parks and get back to you on the current status as to how many solar panels and where things fit and getting the energy tax credits and making more of a concerted effort to take advantage of other funding resources is something i'd already asked them to do, but I don't know the current status. So let me find out the current status and then we will let you know. But this helps a lot. We understand that by accepting this check, we have an obligation to make it more solar. That's what we'll do. So you said the best part about this was making it more environmentally friendly and sustainable, I think in your testimony. That's the second best. The fact that you invested in this, and this is your pool and you wanted to contribute resources to it, and made it, you know, your community effort, that the best part. So parks thanks you very much. I'll get back to you.

Sten: Great. Nice work. Item 711.

Item 711.

Sten: These are findings from a land use case last week.

Mark Walhood, Bureau of Development Services: Mark walhood. I assume everyone has a copy of the findings, overturning the hearing officer's decision.

Sten: Any questions? Roll call.

Francesconi: This was the wrong place to put a cell tower. Aye.

Leonard: Aye.

Saltzman: Aye.

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Sten: Aye. [gavel pounding] findings pass. Thank you. 712.

Item 712.

Sten: This is the second reading. Roll call.

Francesconi: Aye.

Leonard: Aye.

Saltzman: Aye.

Sten: Aye. [gavel pounding] 713.

Item 713.

Sten: Ok. This is a hearing. Do we have a -- any presentation?

Moore: No. He has withdrew, said nothing.

Sten: Ok.

Linda Birth: Linda Birth, portland office of transportation. The petitioner could not make it this morning. There's no issues. Everybody's great.

Sten: Ok. Any questions from the council? I believe -- do we move that to second reading or vote this through?

Birth: Actually, ask me to prepare an ordinance.

Sten: Would you please prepare an ordinance and return it to council?

Birth: Yes.

Sten: Thank you. 714.

Item 714.

Sten: Is there any presentation on this? Any testimony? There we are. Come on up.

Laurel Wentworth, Portland Office of Transportation: Laurel wentworth, office of transportation. Two moments on this. Just wanted to let you all know, in terms of this resolution, this is the culmination of a series of conversations that we've had with other city bureaus and the office of transportation acts on behalf of other city bureaus to submit a group of projects for federal funding that is actually allocated. This has come to you before over the last 14 years actually as we've had flexible funding source available to the city of Portland and other regional actors in our capacity to really do a couple of different things. This go-round we've tried to be very strategic in the way that we've set up our listing of projects for submittal to metro to both compliment the 2040 plan, part of the criteria in making these decisions, as well as this year be very conservative with which we're actually allocating resources. And that is to those projects that are either been unfunded in past years or not funded at all. And this listing of projects occurs every two years with our -- in association with other agencies throughout the region and with metro. And so it allows us to focus this round of dollars, which will occur in 2008 and 2009, on freight, as well as multimodal efforts around the region, and economic development. It's trying to emulate the council's policy as well as those of region. Just wanted to give you that opportunity.

Sten: Great. Thank you.

Francesconi: Just one question, because I think the council may think we're going to get all these projects. This is just a request. How much do you think that the total --

Wentworth: Of the \$42 million that's available for the two-year time frame, we're talking about 2008-2009, traditionally the city of Portland has received somewhere between \$8 million and \$10 million.

Francesconi: This is still a wish list.

Wentworth: Exactly.

Saltzman: Ok, I guess given it's a wish list, that tells me something, but I was curious, we're asking for \$3.6 million for sellwood bridge.

Wentworth: On behalf of Multnomah county.

Saltzman: Oh, on behalf of Multnomah county?

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Wentworth: Correct. What we do include, commissioner, not all of our city bureaus in this request, but also those of the port of Portland, for instance, as well as Multnomah county.

Saltzman: Ok. I appreciate the request for \$3.78 for green streets.

Wentworth: Indeed.

Francesconi: That was my idea.

Saltzman: That was your idea?

*******:** A collaborative effort.

Francesconi: What's good about this it's nothing news on this list. These are past things in the pipeline, because we decided there's not enough money to start putting new things on it.

*******:** Indeed. Other questions?

Sten: Great. Roll call.

Francesconi: Thanks for your work on this. Aye.

Leonard: Aye.

Saltzman: Good luck. Aye.

Sten: Aye. [gavel pounding] 715.

Item 715.

Sten: Is there any presentation on this? Would anybody like to testify on this? Seeing nobody at all in the building, roll call.

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

Sten: Aye. [gavel pounded] 716.

Item 716.

Sten: This is a second reading. Roll call.

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

Sten: Aye. [gavel pounding] 717.

Item 717.

Sten: Again, second reading. Roll call.

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

Sten: Aye. [gavel pounding] s-718.

Item 718.

Sten: Another second reading. Roll call.

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

Sten: Aye. [gavel pounding] 719.

Item 719.

Sten: Second reading again. Roll call.

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

Sten: Aye. [gavel pounded] that finishes our morning agenda. Tonight's 6:00 p.m. Council hearing has been rescheduled for a date and time to be announced. Stay tuned if you're interested in those items. The council is adjourned until next wednesday at 9:30. [gavel pounding]

At 12:33 p.m., Council adjourned.