



CITY OF
PORTLAND, OREGON

OFFICIAL
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **11TH DAY OF AUGUST, 2004** AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi, Leonard and Saltzman, 4.

Commissioner Francesconi arrived at 9:33 a.m.

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

Item No. 952 was pulled for discussion and on a Y-4 roll call, the balance of the Consent Agenda was adopted.

COMMUNICATIONS	Disposition:
940 Request of John Haines to address Council regarding what the City should do about the youth (Communication)	PLACED ON FILE
941 Request of Charles E. Long to address Council regarding history as a resource for Portland's future (Communication)	PLACED ON FILE
942 Request of Jay Boss Rubin to address Council regarding results of the 2004 Portland Challenge (Communication)	PLACED ON FILE
943 Request of Freedom Child to address Council regarding police misconduct, unfairness of Independent Police Review process and bias of Capt. Schenck (Communication)	PLACED ON FILE
TIME CERTAINS	
944 TIME CERTAIN: 9:30 AM – Update on West Side Combined Sewer Overflow Project (Presentation introduced by Commissioner Saltzman)	PLACED ON FILE
945 TIME CERTAIN: 10:00 AM – Approve the Subsidized Residential Speed Bump Purchase Program (Resolution introduced by Commissioner Francesconi) (Y-4)	36242

August 11, 2004

<p>946 Declare the purpose and intent of the City to initiate a demonstration of an approval process for streamlined speed bump projects on high volume Local Service and Neighborhood Collector streets (Resolution introduced by Commissioner Francesconi)</p> <p>(Y-4)</p>	<p align="center">36243</p>
<p>947 TIME CERTAIN: 10:30 AM – Recognize the outstanding high school student participants of the University of Portland partnership with Portland Parks and Recreation Mini-Masters in Business Administration Program (Report introduced by Commissioner Francesconi)</p>	<p align="center">PLACED ON FILE</p>
<p align="center">CONSENT AGENDA – NO DISCUSSION</p>	
<p>948 Statement of cash and investments July 01, 2004 through July 28, 2004 (Report; Treasurer)</p> <p>(Y-4)</p>	<p align="center">PLACED ON FILE</p>
<p align="center">Mayor Vera Katz</p>	
<p>949 Transmit evaluation report on sole source contract with Selectron, Inc. for The Portland Building Card Access System Project and accept contract as complete (Report; Contract No. 34548)</p> <p>(Y-4)</p>	<p align="center">ACCEPTED</p>
<p>*950 Amend Intergovernmental Agreement with Multnomah County for increased rates for maintenance and repair of electronic equipment at Justice Center and other City Facilities and Precincts (Ordinance; amend Contract No. 52169)</p> <p>(Y-4)</p>	<p align="center">178658</p>
<p>*951 Amend contract with Hennebery Eddy Architects for completion of architectural and engineering services for the remodel of Fire Station 28 (Ordinance; amend Contract No. 33921)</p> <p>(Y-4)</p>	<p align="center">178659</p>
<p>*952 Pay claim of James Wadsworth (Ordinance)</p> <p>Motion to accept amendments to change the payee on the check to payable to the attorney and add to the amount to be paid for health insurance: Moved by Commissioner Leonard and seconded by Commissioner Saltzman and gavelled down by Mayor Katz after no objections.</p> <p>(Y-4)</p>	<p align="center">178670 AS AMENDED</p>
<p>*953 Create two positions of Police Officer in the Police Bureau (Ordinance)</p> <p>(Y-4)</p>	<p align="center">178660</p>
<p>*954 Authorize a five-year Intergovernmental Agreement with the Washington State Patrol for periodic rentals of their academy facilities for emergency vehicle operations training (Ordinance)</p> <p>(Y-4)</p>	<p align="center">178661</p>
<p>*955 Authorize addendum to contract with Michael Bostwick for outside counsel assistance (Ordinance; amend Contract No. 35178)</p> <p>(Y-4)</p>	<p align="center">178662</p>

August 11, 2004

*956	Authorize addendum to contract with Williams Zografos & Peck for outside counsel assistance (Ordinance; amend Contract No. 34973) (Y-4)	178663
Commissioner Jim Francesconi		
*957	Authorize payments to Friends of Trees to support their neighborhood tree planting program for the period July 1, 2004 through June 30, 2005 (Ordinance) (Y-4)	178664
Commissioner Randy Leonard		
*958	Extend term of Olympic Pipe Line Company franchise (Ordinance; amend Ordinance No. 162012) (Y-4)	178665
Commissioner Dan Saltzman		
*959	Approve an agreement with TriMet, the Tri-County Metropolitan Transportation District of Oregon, to continue an experimental bus pass program for the Office of Sustainable Development for FY 2004-2005 (Ordinance) (Y-4)	178666
960	Authorize an Intergovernmental Agreement with Metro for \$35,000 to administer the Master Recycler Program (Ordinance)	PASSED TO SECOND READING AUGUST 18, 2004 AT 9:30 AM
Commissioner Erik Sten		
*961	Authorize subrecipient contract with Cascade AIDS Project for \$471,426 for the Cascade Aids Project HIV/AIDS Housing Program and provide for payment (Ordinance) (Y-4)	178667
*962	Accept an Intergovernmental Agreement with Clark County Department of Community Services for \$10,000 to provide for housing services and outreach through Housing Connections and provide for payment (Ordinance) (Y-4)	178668
*963	Authorize subrecipient contract with worksystems inc. for \$118,159 to support sub regional planning for designated youth employment and training programs and provide for payment (Ordinance) (Y-4)	178669
REGULAR AGENDA		

August 11, 2004
Commissioner Randy Leonard

***964** Authorize agreement between the Bureau of Emergency Communications and Connect and Protect to disseminate emergency information to targeted recipients at no cost to the City (Ordinance)

(Y-4)

178671

At 11:34 a.m., Council recessed

August 11, 2004

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 11TH DAY OF AUGUST, 2004 AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi, Leonard and Saltzman, 4.

Commissioner Leonard arrived at 2:05 p.m.

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

		Disposition:
S-965	TIME CERTAIN: 2:00 PM - Initiate local improvement district proceedings and adopt Resolution of Intent for the Portland Mall Revitalization Local Improvement District to extend light rail services on Fifth and Sixth Avenues in downtown Portland (Previous Agenda 935; Resolution introduced by Commissioner Francesconi) Motion to accept Substitute: Moved by Commissioner Francesconi and seconded by Commissioner Saltzman and gaveled down by Mayor Katz after no objections. (Y-3; N-1, Francesconi)	SUBSTITUTE 36244
*966	Increase the short-term parking meter rate, unify the long-term rate to match the short-term rate, extend the hours of parking meter operation, and authorize a schedule of implementation (Second Reading Agenda 936; Ordinance introduced by Commissioner Francesconi) Motion to accept the August 9, 2004 amendment with the addition if ridership numbers are not met the City Council will determine how the \$300,000 will be spent with a preference going to Transportation Maintenance backlog: Moved by Commissioner Francesconi. (Y-3; N-1 Leonard) Motion to place an emergency clause on the ordinance: Gaveled down by Mayor Katz after no objections. (Y-4)	178672 AS AMENDED
967	Authorize revenue bonds to finance a portion of the City contribution to the South Corridor: I-205/Portland Transit Mall Light Rail Transit Project (Second Reading Agenda 937; Ordinance introduced by Mayor Katz) (Y-4)	178673
*968	Authorize an Intergovernmental Grant Agreement with TriMet for City financial contributions to fund the preliminary engineering, final design and construction of the South Corridor Project (Second Reading Agenda 938; Ordinance introduced by Mayor Katz and Commissioner Francesconi) Motion to place an emergency clause on the ordinance: Gaveled down by Mayor Katz after no objections. (Y-4)	178674 AS AMENDED

At 3:04 p.m., Council recessed.

August 12, 2004

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **12TH DAY OF AUGUST, 2004** AT 2:00 P.M.

THOSE PRESENT WERE: Commissioner Saltzman, Presiding; Commissioners Francesconi and Leonard, 3.

At 2:47 p.m., Council recessed.
At 3:00 p.m., Council reconvened.

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

<p>969 TIME CERTAIN: 2:00 PM – Accept South Corridor and Delta Park-Lombard Workforce Discussion Group Final Report (Report introduced by Commissioner Francesconi)</p> <p>(Y-3)</p>	<p>Disposition:</p> <p>ACCEPTED</p>
<p>970 TIME CERTAIN: 3:00 PM – Create a local improvement district to construct aerial tram improvements in the Portland Aerial Tram Local Improvement District (Previous Agenda 907; Ordinance introduced by Commissioner Francesconi; C-10009)</p> <p>Motion to accept the substitute: Moved by Commissioner Francesconi and seconded by Commissioner Leonard. (Y-3)</p>	<p>SUBSTITUTE PASSED TO SECOND READING AUGUST 18, 2004 AT 9:30 AM</p>

At 3:34 p.m., Council adjourned.

GARY BLACKMER
Auditor of the City of Portland

By Karla Moore-Love
Clerk of the Council

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

August 11, 2004
Closed Caption Transcript of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

AUGUST 11, 2004 9:30 AM

[Gavel pounding]

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

Katz: Commissioner Sten is on personal time. Ok. Item 940. John, come on up. You've got three minutes.

Item 940.

John Haines: First of all, I don't have the specifics on this particular issue, but there's a significant amount of problems with youth as far as the ability to have adequate school. In fact, they take more and more out of schools over the last few years -- every year. The situation, this is I -- how I define youth is it can be any age. They can have babies or not. The situation is, is that we have different houses, and the situation is that some of them are unsettled. City hall, salem, and the white house. Youth have different factors that make it school. Some people go out with -- with nothing. Some people go out with music and a parade. During this time, do you ever wonder what happened to all the youth over the years that watched the parade? Make it the rose festival. Are youth captured? I don't know. The situation is, is that it takes more than just one individual. The other day I was asked, do I want to see a democrat in office? I simply said to that particular person, actually I heard this twice, that i'd never been to the white house. I talk about the situation with words that I can't put down on paper the same way. I'm handicapped and I have people that are handicapped. There are people that are handicapped in different areas of my life, and I find that myself -- I find myself concerned about st. Vincent depaul losing its resources. They're losing stores. There are some people that may not have a job as far as, again, quite the same, because they learn jobs, and they want to keep jobs, and they don't have the ability to speak for themselves.

Katz: Thank you. Your time is up. That was nice. Thank you. Ok, 941.

Item 941.

Katz: Charles, good morning.

Charles E. Long: Charles e. Long. I live in northeast Portland. Two weeks ago I discussed briefly the value of history and the danger of neglecting it. Last week I discussed the importance of history to religious faith and also to the writing of the declaration of independence and the constitution. Today i'd like to discuss briefly what history can do for Portland. History gives us vision, lessons of the past and a vision for the future. History is very timely at this time because we are observing the bicentennial of the lewis and clark expedition in 2006. Also, the Oregon historical society, a new, permanent exhibit, called "oregon, my Oregon," which gives a background of Oregon history. And Oregon history is also a tourist attraction. Tourism is one of the great industries in Oregon, and history, displaying history, and advertising it across the nation is a valuable tourist attraction. I'd like to introduce three books that are very important for our history. One is "undaunted courage:the opening of the american west." this history illustrates the vision that great men had in the past, such as thomas jefferson who arranged the louisiana purchase and commissioned this great expedition to the west which was a claim for the united states from the coast to the coast.

Katz: Thank you. Your time is up, charles. Come back next week, or when you can, and tell us about the other two books. Thank you. All right, 942.

Item 942.

August 11, 2004

*****: Good morning.

*****: Hi.

Jay Rubin: My name is jay rubin, and I live in northwest Portland right now. [speaking swahili]

Rubin: Attention, mayor Katz and city commissioners, i've just greeted you good morning in the language of swahili. 10 days ago city council members, over 100 Portlanders paraded from the goose hollow inn to the willamette river. We swam across, against made-up stories of sewage spills and multimillion dollar madness, nearly 100 ordinary Portland citizens plunged in. The coast guard didn't come, the fire boat couldn't make it, but the river was there, and we were there. That's all it takes to pull off a Portland challenge. Somehow during all this madness, we also raised over \$33,000 for a project in tanzania. Next summer's challenge, an epic sweep down sandy boulevard, all 242 blocks of it, and a plunge into the willamette river, will raise money for Portland's most adventuresome to travel to tanzania and build a house from the ground up. What does this swim, this -- this echo? What does this swim, this Portland challenge have to do with such a far away mystical land? Maybe it's the year-round 100-degree heat. Maybe it's the poverty. Perhaps it's the indigenous culture. The citizens there know how to kick it naturally, very naturally. Wait till you see what we might learn from these wonderful people. Wait till you see the canoes we shall carve. A river renaissance can only come from the bottom up. Give each Portlander a vision of what willamette life could truly be and they'll create that world before your very eyes. In order for these ventures, the construction of an orphanage in tanzania at the hands of Portlanders and the transformation of willamette river life, in order for these ventures to successfully unfold I request your help in getting some of these tanzanians over to Portland, Oregon. I've failed as a private citizen to secure visas. Perhaps as a diplomatic vision this could help it flourish.

Katz: Thank you.

Item 943.

*****: Good morning.

Katz: Good morning.

Freedom Child: I live in st. Johns. I'd like to see you're feeling well today, mayor Katz.

Katz: Thank you.

Child: You look beautiful as always. I'm going to read to you the office of officer dorn, and you weren't here last week, but I read the primary report of the officer in this incident, and this is like a supplementary or backup thing they collaborated on. When I read this to you, I want you to think about if this sounds logical. And I want you to note that they don't mention they pulled up in an unmarked car, and that they state I was on a public sidewalk with my bicycle. I was actually walking on the sidewalk with my bike. And that they -- this officer gives very specific details of this -- alleged encounter I had with this officer, very specific description, and then he says "and then I arrived moments later." so the question is, how can he give this testimony about what he saw when he wasn't there? And the other thing is, that I was cited for interfering with the police when I was at my home, going home. So i'm going to read this to you. And the s.b. is subject. That means me. Ok. On routine patrol we observed a person operating a bicycle on the public sidewalk at north smith and tioga, right on the corner where I live. The bike had no lighting equipment activated. Refer to officer harris's special report for details of initial top. While officer harris was speaking with s.b., ms. Childs, she was yelling, I don't like you guys and I don't have to stop. I live here. They were in an unmarked car. They never identified themselves. As I was putting our location out on the radio s.b. began to run from her front yard into her house. Officer harris was able to grab on to s.b.'s left arm -- listen to this -- as she began to enter her front door. I arrived moments later and assisted by taking control of s.b.'s right arm. S.b. as screaming at the top of her lungs this whole time as we were trying to safety cuff. They don't mention that I was in my house and they ripped me out of my house by my hair. That's when I screamed for my neighbors to come out. As we were trying to safety cuff, she was attempting to pull herself away from us and escape into her house. Once she was handcuffed she continued to resist our efforts to move her to our patrol car, physically pulling away and finally went limp forcing

August 11, 2004

us to carry her to the patrol car. Of course, all my neighbors saw me walk to the patrol car. S.b. was still screaming at the top of her lungs until we got her safely in the patrol car. And see, they're concerned about, that I screamed when they ripped me out of my house by my hair. So they're -- it unnerved them, so they keep writing that I had been screaming, and that's not true.

Katz: Ok, freedom child, your time is up.

Child: You can just call me freedom.

Katz: We'll do that.

Child: I hope you'll be well this week.

Katz: Ok. Consent calendar, item 952 is pulled for two amendments. Any other items to be pulled off the consent calendar? Any by members of the audience? If not, roll call on consent.

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

Katz: Mayor votes aye. [gavel pounding] all right, 952.

Item 952.

Katz: Ok. There are two amendments. Commissioner Leonard, would you like to explain them, or do you want somebody to come up? We have them in front of us.

Leonard: Would you --do you want to explain it? Ok.

Linda Meng, City Attorney: Linda Meng with the city attorney's office. There are two amendments to this ordinance. One is to change the payee on the check -- payee on the check for attorney's fees. This would make it just payable to the attorney. And that's pursuant to the terms of our settlement agreement. And the second is to add another amount to the amount to be paid for health insurance during the time between Mr. Wadsworth's termination in March and his reinstatement. Those are the only changes.

Katz: Ok.

Leonard: I move the amendment.

Katz: Do I hear a second?

Saltzman: Second.

Katz: Any objections? Hearing none, so ordered. [gavel pounded] thank you, Linda. Anybody want to testify on this item? If not, roll call.

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

Katz: Mayor votes aye. Update on 944.

Item 944.

Saltzman: Madame Mayor, members of the council, I wanted to take this opportunity to have the Bureau of Environmental Services update the council on the progress of the combined sewer overflow program. The West Side Big Pipe project is almost half complete, and thus far has been a major success story. As the Bureau of Environmental Services will report, this highly complex project has presented challenges, but each has been accommodated without significantly affecting the timeline or the budget. This is a testament to the B.E.S. project team and to the prime contractor. Thanks must also be given to our local contracting community, which has provided exceptional subcontracting services. Involvement of minority, women-owned, and emerging small businesses, has also exceeded our expectations. Now we've begun preparations for the East Side Big Tunnel, which we are confident will share the same successes as the West Side. Today B.E.S. Director Dean Marriott will fill us in on the details. Dean?

Dean Marriott, Director, Bureau of Environmental Services: Thank you. Good morning, Mayor, members of council. I'm Dean Marriott, Environmental Services Director for Portland. And seated next to me is Paul Gribbon, our engineer in charge of both the West Side and East Side projects. I just want to mention just a couple of words about the background of this. I know you've heard this before, but in your busy lives we only appear before you formally every six months. Last time we were here was February. So it will just take me a moment to refresh your memories that this is in fact a 20-year program. We started about 13 years ago. As you know, this system serves most of the downtown and the East Side of the river, our older neighborhoods were built this way originally. Before it was simply

August 11, 2004

everyone's desire to get the waste to the river. It covers over 42 square miles and over half the population. City. Next is a timeline, to refresh your memory that we started in 1991 when the city signed an agreement with the state of Oregon. The program has evolved considerably since then. At that point it was just painted with the -- the solutions were painted with a broad brush. It wasn't until 1994 that we actually had some engineering concept plans for what the solutions would be. And we've changed those as we've gone along. Just since i've been here in the last 10 years, we've changed where we were going to cross the river, how we were going to cross the river. We've changed from having a treatment plant on swan island to having a pump station. So the program has evolved. The important thing to mention about this timeline, though, is that we are still on time. We've met every intermediate timeline that's been set in the order with the state, and it looks very much like we will be able to continue to do that right through the balance of the program. The program is a three-legged stool. The cornerstone projects, which are the downspout disconnection and sewer separation projects, that's the effort to get stormwater out of the sewer system. Too much stormwater in the sewage collection system. The columbia slough projects, which we completed in 2000. And we've now h now almost four years without combined sewer overflows into the slough. The third leg of the stool, which turns out to be the biggest, which is solving the problem on the willamette. We've since divided the solution for the willamette into west side and east side. Here's a chart that shows the progress that we've made since the city really got serious about focusing on reducing combined sewer overflows. The dot right in the middle of the chart shows 1990. We've reduced the volume of combined sewer overflows by about 55% since we started in this effort in the early 1990's. When paul talks to you about where we are on the west side tunnel project, that is scheduled for completion during the year 2006 when the west side projects come online we will have reduced the c.s.o. problem by about 64%. We'll be stepping it back down even further. The last then remaining effort is the east side tunnel, which will complete our effort. Quickly, just to recap, we had commitments to clean up the columbia slough from c.s.o.'s. That was done on time in december of 2000. We had to control seven additional outfalls on the willamette by december of 2001. We've completed that on time. The next thing in the chute is 16 willamette river outfalls controlled by december of 2006. That's the west side project, and that's also on schedule. And paul will now talk to you about that.

Paul Gribbon, Bureau of Environmental Services: Paul gribbon with environmental services. Just briefly recap what the west side is. We've got a four-foot diameter tunnel under the west side of the river. Two tunnel boring machines right now called lewis and clark. And the intent of the tunnel is to carry the combined sewer overflows to the pump station at swan island. We're running under southwest naito parkway across the river to swan island. The swan island pump station will take the sewage from the west side big pipe. It will have a capacity of 220 million gallons a day. It's 137 feet across. 150 feet deep. There are two force mains from the pump station to connect to two intersectors. We've got four shafts along the west side. Northwest nicolai street, northwest upshur, southwest ankeny and southwest clay streets. The purpose of the shafts is to convey the flow from the surface diversions to the tunnel. We are also consolidating a number of outfalls in single shafts. And it will also provide us maintenance access to the tunnel. The other piece is the southwest parallel interceptor. The first two are done of the three. We're completing the last section now. This will be from six to seven feet in diameter. It's about a mile and a half long. It goes from southwest bancroft street to the clay street shaft. And this will provide combined sewer overflow control and new sanitary capacity in the south waterfront area. Now the status of where we are. Right now tunneling, lewis is the one that's going across the willamette river. It is almost at the confluent shaft. If you look at the bottom right side, the green line is what we've completed to date. Clark has already entered the shaft. We're about 34% complete on our tunneling. We should be across the and the confluent shaft by the week after next. At the pump station, the excavation is now complete. The interior lining down to the bottom is complete. And we're beginning installation of the floor to put in the -- they're putting the base down now. Nicolai shaft was completed a while ago. This is where all the soil is removed and the segments for the tunnel itself are delivered for both t.b.m.'s at this spot. Once they're done with the mining, then

August 11, 2004

of the shaft build-out will occur. Upshur shaft, clark is actually sitting in it right now. We did develop a leak when the machine was breaking in. The leak is currently under repair. And once that leak is repaired, then it will do maintenance work on the cutter head of the machine. They had planned a one-month shutdown at upshur. Ankeny shaft, finishing that is under way. That will then receive clark if everything is on schedule in april of 2005. The clay street shaft right now is in preparation for receipt of the microtunneling machine from sacajawea. That should approach clay street shaft in september. This is a picture of it as it broke through at the sheridan shaft. Right now all the pipe north of the marquam bridge to manhole eight is complete. There's now one more section to go from manhole eight to clay street, which hopefully will be done in september. Then the remainder of the pipe south of marquam bridge should be installed by november. Some of the challenges we've faced. Last time I was here we talked about leaks that we had incurred in the bottom jet grout zone of the pump station. Those were repaired. The expectation is now, as I stated before, is complete. We had some more challenges. The blue line on the right side, just denotes where we had some leaks in the slurry wall as we went down. Those leaks were repaired. Right now we have a dry hole. That's as far as they're going to dig. Now they're putting in the floor. Our current project on schedule is we expect to be in within the contract completion date. Last time I talked that we had lost some time on the pump station and made some modifications to the design of the pump station to make up that time. We put those changes into play and we've made up about five months on the schedule. Also, the excavation, the interior liner of the pump station went faster than we had scheduled. The leakage areas where we did lose a little bit of time have been successfully repaired. Right now the tunneling on both directions is on schedule. So as far as the schedule is concerned we're doing fairly well. This is our cash flow curve. Looking at the green line is the actual cost that we've spent to date. The blue line was the original cash flow curve. And so compared where we expected to be at this date, we're a little bit under. And the yellow line is the projected cash flow. So right now, as of today, we are about where we expected to be under money spent. As far as cost and schedule oversight is concerned, we have a very intensive effort. We have tunneling firm, jacobs associates, blended with our own staff. We have four full-time cost and schedule staff that do nothing but cost and schedule oversight and monitoring. We're currently proceeding with an r.f.p. for an outside auditor to audit us at halfway point. We sit down every month and view comparisons on costs spent, where we are on schedule and projections. We continually go over ways to save money. We've been offered suggestions how to save time and cost. We continue to do that. So it's been a really strong relationship between the designer, b.e.s., and the contractor.

Marriott: Paul, let me add one thing that did not make this list. We're also working -- the bureau also working with the Portland water users group, and other large industrial customers of the bureau to work on ideas for other areas of efficiencies, bureauwide, not just related to the westside project. We're on their schedule for august 19. Many of the large industrial customers will be there and have expressed an interest in working with the purb to explore other areas of finding additional efficiencies.

Katz: Thank you. Are you finished?

Marriott: No. Just another moment here.

Gribbon: As far as minority women, emerging small businesses and local business participation, out of a total 115, 98 have been to minority women or emerging small businesses. We set a target of \$13 million at the start of the project, and we currently under contract have surpassed that number. We still have more opportunities to come. We have an operations and maintenance building yet to do. So we anticipate more opportunities. We've actually utilized 399 businesses so far. So we're just shooting to get one more to get the 400 number. We have about 445 construction-related jobs on site right now. We still have an intensive public involvement campaign. We have a businesses for clean rivers that meets regularly. We have a project website. We send out traffic advisories. We have an exhibit at the Oregon museum of science and industry. So the public involvement has not stopped. We plan to continue that all through the west of the project. The east side, an update on the east side. Just to refresh your memory, that is bigger than the west side. It's six miles long. Be around 22 feet in

August 11, 2004

diameter, in that range. Vary from 85 to 175 feet deep. It will go from southeast mcloughlin boulevard and 17th avenue to the confluent shaft on swan island. We'll have about eight shafts. Right now we're looking at about eight shafts along the alignment at various spots. This just gives you an idea of the preferred alignment at this point. We have broken it down into three reaches. Reach one is the southernmost from southeast mcloughlin and 17th avenue to about hawthorne and third. It runs along the springwater corridor. Reach two is from third and hawthorne to the steel bridge. Runs up third avenue in the industrial area to a shaft just east of the steel bridge by the rose garden. And then reach three, from steel bridge along the albina yard to swan island. The status of the tunnel right now is preliminary design phase, it's complete. We have a final predesign report. We just completed value engineering by outside firms to come in and look at the costs for the east side and see if there's ways that we can relook at things, save money, do things cheaper. We've just received that report and reviewing it and responding to it right now. Next week we hope to have the amendment to the contract to proceed with the design phase. And a procurement of a construction contract or is currently under way. We have qualification statements that are due tomorrow. After review, we hope we'll have a request for proposal out in september. And conduct interviews by early december and hopefully we'll have a contractor by the end of january of 2005. Our lessons learned from the west side, west side our preconstruction planning phase with the contractor probably could have been a little bit longer. I think we were a little bit optimistic about how long it really takes to plan a job like this. We'll have a longer preconstruction phase on the east side. We've got a lot more experience now with the troutdale formation as far as mining is concerned. It's a cemented gravel. It's very abrasive, very hard. And we have more experience now in how long it takes to get through it. And we're going to continue to try to create local and minority, emerging small business contracting opportunities where we can. One of the challenges we have on the east side is it's more expensive on the west side, but as far as local and minority opportunities probably not as many. There's no pump station on the east side. It's basically a much bigger and much longer tunnel. So the money is greater, but the opportunities are less. So I think we have to put a much greater effort -- or as much effort as we can up front to identify all the opportunities we can and make sure they all get out to the local and minority community. We're going to continue with that effort.

Marriott: All right. I want to just conclude by talking a little bit about money. We have established budgets for three elements of the program. The columbia slough project that I mentioned to you earlier is complete. You can see the established budget. We came in under budget. The cornerstone projects are still going on, but we do have pretty solid budgets for those. We still have a little over \$20 million left to spend to complete those projects. On the west side, the one that paul just gave you a detailed look at, i've broken out for you here the different pieces of the west side project, including the cost of the tunnel and the pump station. Now that totals \$445.5 million, and we've spent about \$245 million. If you recall paul's cost curve, we are still on budget on this project and expect to conclude this project on budget as well. Next is the east side. We do not have a budget for the east side tunnel. And that's because east side tunnel has not been designed. You just heard paul mention that I believe next week you'll see an ordinance authorizing us to complete the contracting work to hire the contractor to finish the design. We have not yet either hired the contractor who will build the tunnel. What we did on the west side project is, once we had the project designed, and we had the contractor on board, the two of them worked together with us on value engineering and constructability analysis, and at that point they give us a final budget. So we expect that final budget will happen sometime in the summer or fall of next year. But for now we are updating our cost estimate. The original cost estimate was done on a 17-foot diameter tunnel and done some time ago. We now have done the more detailed analysis of exactly what size tunnel we need. As paul mentioned, it will be between 21 and 22 feet in diameter. So it's considerably larger. So we're updating our cost estimate for the project and have added about \$200 million for the cost estimate. That's not to say that that necessarily is what it will cost, but we're just alerting everyone that our estimate has been increased. We will work diligently between now and the time we have to develop a budget to see what can be done to have the final budget for the project

August 11, 2004

come in lower than that. But for now i'm estimating that the total cost of the c.s.o. program is \$1.4 billion. That may have an impact on our five-year financial plan and what we have discussed with you in the past sewer rates will look like. We of course will update our financial plan with you in december and january of this coming year, and we will have a lot of work to do between now and then to bring you the best possible five-year financial plan we can. And we, like you, know that the objective is to keep the amount of the rate increases as low as possible. And I pledge to you we will work to do that. Last thing I want to do is invite you on a tour. If you've wondered what it would be like to travel under the willamette river, you will get a chance in december. We will have a sort of open house opportunity where we will take you down the nicolai shaft on this side of the river, put you on a little mining car train, and take you under the river and bring you out on swan island. And you'll get a very good firsthand opportunity to see -- get a chance to meet some of the people who have been working on this project, see the kinds of difficulties they've had to deal with and the complexity of it and also be able to tell people what it's like to travel under the willamette through a tunnel. We'll be sending out those invitations for the open house and be in touch with your offices shortly on that. With that, that completes our presentation and we're here to respond to questions that you might have of us.

Katz: Dean, are you prepared to estimate the increase in the rates because of the changes in the tunnel?

Marriott: Yes. Mayor, if we were unable to do anything about the increase --

Katz: I'm assuming you're going to be able to reduce that amount by some percent.

Marriott: Yes. We're going to work really hard. Worst case, if it all had to be passed on to the ratepayers, it would be about .4 of 1% increase. So as you know our five-year financial plan calls for a 5.9% rate increase next year. It would be in the area of 6.3% or 6.4% instead. Like I said, we have some time to work on that. We have a year to work with the contractor and our team to hone that number and bring it in low as possible. We pledge to do that.

Katz: Further questions?

Leonard: I'm assuming there's some plan in place in case there's some sort of catastrophic event in the tunnel. You're coordinating with the fire bureau?

Marriott: Yes. Commissioner leonard, i'll let paul talk about this, but we've done a lot of extensive coordination with the fire bureau and they've done many onsite visits and -- paul?

Leonard: That question did not occur to me until you invited me into the tunnel.

Marriott: You can check with ed wilson before you go down.

Leonard: I'm going to go with ed wilson.

Katz: Yeah. I think we had a presentation or mini presentation on that, but that was something that the council was very concerned about as well.

Marriott: And we did have an incident -- this is knock on wood. This has been a very safe project. We did have an incident a few weeks ago where there was an accident at the job site, and I think a gentleman broke his arm, and the call went out, 9-1-1, for an ambulance, and said something had fallen into the shaft at the tunnel. Well, the fire bureau, thinking that that meant there had been some kind of a major incident, just responded beautifully, and it turned out it was a tool that had fallen and injured this man's arm. But the safety plan has been working well. And the fire bureau's been great to work with.

Francesconi: Dean, just two questions. I appreciate commissioner Saltzman putting this in, but the r.f.p. to get an outside audit of some of the projects, can you give us a little status report on where that's at?

Marriott: The r.f.p. For the audit of the west side project is something we intended to do all along, and that now I understand is in purchasing, and it's either on the street now or shortly will be on the street to select an outside auditor to come in and look at the entire west side project.

Francesconi: When will that be due? Will it be in time to implement some things on the east side?

Marriott: Yes. We will have the results prior to our next six-month with you, and we will present the findings of that report.

August 11, 2004

Francesconi: And are there -- last question. Any lessons learned in terms of subcontracting with more local businesses on the east side project than we did on the west side.

Marriott: I'll let Paul -- Paul has spent a lot of time working with local community, as well as our contractors on that.

Gribbon: Yeah. Our focus was to try to get as much work to the local community as we could. I think one lesson learned maybe on the west side is the local community's capabilities is even more than what we had thought. And basically on the -- what we plan to do on the east side, is to have more outreach with the local community prior to, and make sure we've established every piece of work that we could do locally that we will do locally. So basically the only thing that would not be done locally is the tunnelling in the shafts, which is there no local expertise, but everything else, we have a lot of pipelines and a lot of other work to do, that we want to make sure that is bid out locally.

Francesconi: Can you say more about how the local outreach will be done?

Gribbon: We have outreach meetings. We're scheduling meetings and doing public advertising of these meetings to make sure we get as input as we can. I've had several conversations with representatives from the local chapter of the national utility contractors association, working with them. And they've had some concerns about the west side, and have so I'm going to continue to work with them to make sure we have as much opportunity out there as we can.

Francesconi: Ok, thank you.

Katz: Further questions? All right, let's open it up to public testimony. Do we have anybody signed up?

Moore: We didn't have a sign-up sheet, but there's a gentleman who wanted to speak.

Katz: Is there somebody here? Come on up.

Kent Crayford: Mayor Katz, commissioners. Good morning. My name is Kent Crayford, with the Portland users water coalition. We're a group of large industrial and commercial water users, water and sewer customers in the city of Portland. We represent hotels, manufacturers, dairies, ice company, pickle plant, nursing home and others, that depend on the city water and sewer services. I'd just like to comment this morning on the news that the big pipe project for the east side will be estimated at coming in far above what initial cost estimates had pegged it at. But first I'd like to say we very much appreciate the efforts commissioner Saltzman's office and B.E.S. have made in the last few weeks to involve our group and large users in efforts to identify cost centers within the bureaus and talk about ways that we can try and reduce costs, make efficiencies, and so forth. So we've been involved in this discussion of the audit, the R.F.P. for the audits. I think it's been a very positive process so far and we look forward to working with the bureaus further on this. That said, the news this morning that the big pipe, the east side big pipe project, is going to be almost 650-plus million dollars came as quite a shock and surprise to us. I've said to you all in the last few months several times that large users are struggling right now to cope with some of the highest sewer rates in the country. And news that costs are continuing to increase is just very frustrating for us. And so I'd like to just propose a few things that I think the council can do to positively impact rates over the next few months and years. First of all, next week commissioner Saltzman will be bringing a proposal to council to cap the utility license fee or franchise fee. We very much support this effort and urge you to carefully consider this. The franchise fee is currently charged at 7.5% for Portland's utilities. Qwest, p.g.e., and others are charged only 5%. It doesn't make any sense that Portland's customers are charged 50% more than Qwest, p.g.e., and other utilities. Secondly, last year you voted to increase stormwater rates by upwards of 40% for some customers in the city. This was in apparent effort to provide a discount for some users, but it's going to be an increase for others. We very much urge you to reconsider this. A 40% increase will come as a major shock, especially to industrial customers that have a limited ability to reduce their stormwater runoff. Finally, this big pipe project is a state and federally-mandated project. We're not getting any money from the state and feds. We hope that we've been trying -- we've been trying to look for some. \$1.4 billion is a lot of money for Portland ratepayers to swallow. We think the state and feds need to pony up and come to the table if they're going to require us to do this under such strict

August 11, 2004

time constraints. We look forward to working with you to doing that, identifying opportunities for federal funding especially, and hope we can get that under way.

Katz: Thank you. Thank you. Anybody else? Ok. This is an update, so we won't need to take a vote. All right. 945, 946. We'll take those together. Come on up, folks. Go ahead. Who's going to start? Thank you.

Item 945 and 946.

Will Stevens: Good morning, commissioners, mayor. I'm will stevens. I manage traffic calming for the office of transportation, as well as oversee capital improvements for the community and school traffic safety partnership, better known as the cstsp program. Joining josh is michael with lewis and clark college. This morning we are here to discuss -- we're here to discuss two resolutions that build upon the important work with our community partners in addressing traffic safety and neighborhood livability. As gas tax revenues have declined over the years, coupled with rising costs and inflation, the city has been challenged to meet the ever-increasing demand -- public demand for traffic safety services. Our traditional funding sources has -- are simply not keeping pace to fund these services and meet that demand. To that end, the successful funding strategy developed through the cstsp by mark and endorsed by city council and our community partners has restored needed funding for traffic calming measures. Though this important funding source will restore many important traffic safety services, it will not meet all the needs Portland residents are asking for. These resolutions not only illustrate the creative collaborative effort between the city and our many community partners, but also point to the endless willingness on the part of Portland residents to make their neighborhoods and the city a more livable place. The first resolution i'd like to touch on is the subsidized residential speed bump purchase program. This program will benefit from the cstsp funding with a dedicated funding source from increased traffic fine revenues that will be allocated for traffic safety programs and projects. The subsidized residential speed bump purchase program will have dedicated funding of approximately \$255,000 in fiscal year 2004-2005. It's going to result in approximately 20 to 30 projects. This builds upon the successful residential speed bump purchase program, a program that's been the sole source for many residents to acquire speed bumps outside of our urban renewal areas. Since the complete elimination of discretionary funding for traffic calming measures in fiscal year 2000 and 2001, the residential speed bump purchase program went from one project in 2001 to eight in 2002. With the continued public demand increasing. The subsidized version of this program is compromised of a scoring system that awards points for streets with factors such as high level speeding and lack of sidewalk infrastructure. The regular program will remain as an option for residents to purchase bumps for their streets if the higher score of the subsidy is not reached. Should their street score high enough, the city will fund 60% of the costs while the residents will only be contributing 40%. This proposal includes a 10% increase in project costs to establish a set aside maintenance fund for long-term maintenance on the speed bumps built under this program. At this point i'd like to entertain any questions regarding the subsidized residential purchase program before we go into the second resolution before you today.

Katz: Go ahead. Go ahead. Go to the second.

Stevens: The second one -- the second resolution is the demonstration for approval process for our streamlined speed bump projects on high-volume local service streets and neighborhood collector streets. This particular resolution is the one that will not benefit from cstsp funding and fall under the umbrella of our residential purchase program. Over the past many years a number of neighborhoods have worked with pdot to identify ways of applying speed bumps to higher volume streets while still meeting other city goals for neighborhood livability. This resolution recommends three pilot projects and eventually a report back to council. If this process is proven successful, pdot would then return to council with an ordinance. As current traffic calming criteria calls for a volume cap -- a volume limit I should say on local service streets of 2500 vehicles per day and 4,000 vehicles a day for neighborhood collector streets. Potential diversion to traffic -- of traffic to adjacent streets from speed bump -- speed bump treated streets has been a concern. This demonstration is intended to inform pdot and

August 11, 2004

neighborhoods of the viability of undertaking streamlined speed bumps for these streets that carry higher volumes. This proposal includes a higher level of neighborhood involvement and endorsement to implement these speed bump projects than does our standard process. This involvement of endorsement includes a potentially impacted area as well as support from the governing neighborhood association in the project area. This demonstration process will involve three pilot projects. Southeast 21st avenue. Southwest palatine hill road and southwest lesser road south of capitol highway. These projects will be self-funded as residential purchase projects and will not involve city and/or pdot funding.

Katz: Thank you.

*******:** As a point of clarification, when I refer to --

Katz: I'm sorry. Did you identify yourself?

Chris Eykamp, 2101 SE Tibbetts, 97202: I will in just a moment. Ok, i'm just referring to the segment between clinton and southeast powell boulevard. My name is chris eykamp. The chair of the hosford/abernethy neighborhood association. I live at 2101 southeast tibbetts across 21st street. From my dinner table, I can watch the farmers' market and see people's customers coming and going, many of whom have children in tow. This is a high-quality neighborhood store and thus attracts a lot of foot traffic and bike photographic from the surrounding areas. I've observed the traffic patterns on 21st for years. It's my firm belief that we're very fortunate that only one person has been seriously injured on the street this year. The fact of the matter is that dangerous speeding is common on 21st. Because of that I fear for the safety of my own two small boys. I've considered moving out of the inner city to escape the problem. I'm not the only one who feels strongly about this issue. The residents who live on 21st are reunited and resolute that something be done. I have here a petition with over 500 signatures asking that pdot do something to slow the traffic down. There's about 30 households along this segment of 21st, so most of these signatures represent folks from other parts of the city. There are people on 21st, that shop at people's, or go to the farmers' market, visit friends, some just passing by. The common denominator of everybody that signed this petition, was they recognized the safety issues on 21st and wanted the situation addressed. Until recently, pdot has told us that there was no way for them to help us. Pdot had no money to undertake a traffic calming project and told us traffic volumes were too high to use their existing residential purchase program. We were stuck in a no man's land. Today, however, if you support this resolution, we will have a way to move forward. The neighborhood's not asking for money. Only for the chance for us to help ourselves. Please give us the opportunity to show how by addressing our problems in a constructive manner we can make our community stronger. Let us show how we can create safer streets where parents feel comfortable with their children. I want to emphasize that 21st is not an emergency response route and not frequently used by police or fire or ambulance services. I'd take a moment to recognize will and mark and will and all the other pdot staff helpful in preparing this resolution. Also commissioner Francesconi's office provided us with a lot of valuable advice. Without these folks we wouldn't be here today. This resolution is very important to me, and very important to my neighbors, and if these pilots prove successful, as i'm sure they will, it will be an important step forward for the whole city of Portland. Please support this resolution. Thank you.

*******:** I just have a handout here.

Josh Hinerfeld, 0600 SW Palantine Hill Rd., 97219: Good morning. My name is josh. My wife and two young children, of which olivia is one of my children, and I live at 0600 southwest palatine hill road in southwest Portland. For the past 4 1/2 years I have represented my neighborhood in discussions with the city about a streamlined speed bump purchase project for southwest palatine hill road. I'm thrilled to be here advocating on behalf of pdot's proposed approval process for streamlined speed bump projects on high volume neighborhood collector and local service streets. By adopting this resolution, city council will empower resident of Portland to improve road safety in their neighborhood. Allow me to illustrate this point by way of example. In 2000, the residents of southwest palatine hill road approached pdot about installing speed bumps on a segment of the road

August 11, 2004

that borders the western perimeter of Lewis and Clark College. Particularly on their main campus. The college in fact has been a steadfast and generous supporter of this proposed project. As we worked through the streamlined residential speed bump purchase project process, we learned that traffic volumes on a portion of the road exceeded the level permitted by the city for this type of traffic calming project. As a result, pdot authorized completion of 1/2 of the proposed project. Last summer pdot installed four speed bumps on southwest Palatine Hill Road between southwest Comus and southwest Riverside. 85th percentile speeds dropped 20%, to between 28 and 30 miles an hour. I can tell you that firsthand knowledge that the residents of this portion of the street were immensely grateful. The residents of the untreated portion of the road, however, are not ready to celebrate. 85th percentile speeds on this segment still exceed the posted speed limit by more than 10 miles an hour. In March of 2003, a motorist seriously injured one of my neighbors as she crossed from the college back to her home on this section of Palatine Hill Road. Daily traffic volume during the college year on this segment of Palatine Hill Road ranges between 4300 and 4900. The existing approval process does not permit speed bumps on neighborhood collectors where traffic volume exceeds 4,000 vehicles per day. Yet traffic counts -- they don't convey an accurate picture of traffic patterns in the area. A considerable portion of vehicles traveling this segment of the street is not flow-through traffic that poses a threat of diversion to nearby surface streets. According to research conducted by Kittleson and Associates last November, about 7,000 vehicles go in and out of Lewis and Clark College's main campus via Palatine Hill Road between Comus and Paliter. I circled a graphic which shows the area under consideration. Should be page two of the documents I circulated. The numbers that are in red, those actually indicate the traffic counts that were also done in November by pdot, and they show that traffic counts at the north end of this proposed project area were about 4200 vehicles, and as you proceed south on Palatine Hill Road toward the Dunthorpe area, the traffic counts actually fall below 3,000 vehicles. The section below actually shows the driveway counts that were collected by Kittleson over a one-week period in November. And it shows that, you know, collectively there are about 7,000 cars going in and out of the campus off of Palatine Hill Road. This explains why traffic counts on Palatine Hill Road actually dropped by a third as you proceed south past the various entrances to the college. This explains why one portion of my neighborhood got speed bumps and the other portion did not. City Council had the best of intentions when it expanded the streamlined speed bump process to include neighborhood collectors in 1999. Unfortunately volume caps have eliminated from consideration what would otherwise be meritorious traffic calming projects. I believe the proposed approval process for high-volume streets will greatly remedy this one notable flaw in the existing guidelines. It may be one small step for Portland's overall traffic management process, but represents one big leap forward for improving safety and livability on many of Portland's residential streets. Thank you.

Katz: What's your daughter's name?

Hinerfeld: This is Olivia.

Katz: Olivia, did you want to add something and tell us your story?

*******:** Do you want to sit in my place?

Olivia Hinerfeld: Nothing really. It's just that the cars on our street go really, really fast. And last week I practically got hit by a car because my dad told me it was safe to cross, since no cars were coming, but we have a blind corner, a car came speeding by so fast that we didn't see or hear it. If my dad hadn't screamed at me to come back to the side of the road again, I would have gotten hit. It was kind of freaky.

Katz: Not kind of. Very. How many books are you going to read this summer?

O. Hinerfeld: I don't know, because I've already read like --

Katz: Well, how about -- normally it's 25. For you the special number is 30.

*******:** Oh-oh.

J. Hinerfeld: She reads that a week, believe it or not. [laughter]

August 11, 2004

Katz: Good for you. Thank you. Questions? I have a question. Why wasn't it good in 1999 and good today, other than the fact that there's a greater demand for it? Was there a technical issue that was reviewed by pdot in 1999? Because I remember supporting it and thinking this is a great idea. Didn't realize the impact of the cap at that particular time. So something must have changed in your thinking.

Stevens: Well, I actually like to have rob address that. He's our city traffic engineer. I was out of the state at the time, and I --

Katz: Ok. Rob, come on up.

Rob Burchfield: Well, the challenge for us, really, has been how to provide these services when we really didn't have any program -- any funding for a program. And we don't really have -- we have very limited staff resources.

Katz: This is where the residents pay for --

Burchfield: Right. So as you got into these larger projects, higher volume streets and impact more people, the public outreach part of it's very important, and we need staff resources to do that. We need to make sure that these projects can be win-win and that they're crafted that way. So we need to involve a broader public in that process. And that's really what this -- this new process does. It puts in place some new steps that will ask the residents and the neighborhood to be more involved in in terms of getting neighborhood association approval, and getting a broader level of public involvement in the decision-making process for the projects. So the challenge really has been how to -- how to bring more neighborhood involvement to the process so that -- that we -- we who don't -- the staff who don't really have -- we don't have the staff resource -- don't have to carry the burden of that. That's really been the challenge. So we're trying --

Katz: This isn't a technical issue?

Burchfield: Not really, no.

Katz: Speed bumps don't work with a very high number of cars.

Burchfield: It not so much a technical issue as making sure it's win-win, making sure we don't have diversion on to other streets in a neighborhood and making sure we don't have people who are unhappy about the outcomes. We certainly know we have supporters for these projects, but we also know from experience we have people who feel like they can be losers in these projects. We want to make sure that those outcomes are crafted carefully so that we have win-win solutions. So that's really what this process is about, is making sure that we can get to win-win.

Katz: Thank you. Further questions? Anybody else want to testify? Karla? Who wants to testify first?

*******:** Good morning, mayor.

Katz: Good morning.

Paul Gutt, 8001 SE 61st Ave., Garden Home, 97219: My name is paul goot. I live in a little community that we call garden home, Oregon. I've lived there 30 years. We're located where Multnomah boulevard meets olsen road. Our community has become an intersection in the 30 years i've lived there. But it seems that Washington county and Multnomah county and Portland sort of collide right there where Multnomah boulevard meets garden home road. And there's a very sharp corner where the speed is supposed to go from 40 to 35 and then to 25. And the traffic passes a corner where camella's fruit stand used to be. Now the new market pub area. Traffic takes that corner at different miles an hour. In order to take that corner at that speed people have to travel into the parking lot of the fruit stand, or in this case the new market pub, and cross a bike lane. I was riding open my bike and was hit by a car. It came around that car and found me in the bike lane. They were in the bike lane. I know of at least six accidents in that bike lane. We've asked different people how come we don't have a stop sign -- or a stoplight there. They've said, not enough people have died. And we're wondering if that continues. We don't necessarily need speed bumps. Perhaps indicators along the bike lane that tell people that they've crossed into it. You know, little bumps on that white strip. Perhaps that could keep people out of the bike lane. I just came here, just to simply tell you that that particular intersection, because of the overlapping jurisdiction, hasn't been fixed, and we don't expect it to be fixed, unless we ask for it.

August 11, 2004

Katz: Thank you.

Gutt: Thank you.

Katz: I think there are people here who have heard you.

Gutt: Pardon?

Katz: I think there are people here who have heard you.

Gutt: I certainly appreciate that. Thank you very much.

Katz: All right.

Mark Leece, 3100 SE 21st St., 97202: Mayor Katz and commissioners, my name is mark leece, I live on southeast 21st, across the street from chris. I've worked with chris and the city for the last four years to get here today to develop a resolution to the speed bump issue. And i'd just like to voice my support for this resolution. The situation that we've found ourselves in is -- it kind of a -- it's kind of a funny one because of this cap. It has essentially removed -- or the opportunity for certain streets with a higher volume, where a speed bump by a residential purchase program makes sense, and I think that there is opportunity for council, along with pdot, to collaborate and allow these projects to proceed and then make an informed decision going forward as to whether or not a permanent ordinance is the right thing to do.

Katz: Thank you.

Leece: So I support this resolution. I hope you do, too.

Katz: Thank you.

Doug Erickson, 9514 SW Palatine Hill Rd., 97219: Hi, mayor, and commissioner. My name is doug erickson. I'm a neighbor of josh. I live on palatine hill road, right across the street from lewis and clark college. I'm here again to support the initiatives that are before us here today, that we can act as citizens in our community to try to slow down the traffic through speed bumps and by contributing on our own part of purchasing this for this endeavor. I'm a father of three small children. Every day we're concerned about the traffic speeds that come across right in front of our house. We've seen an accident right in our crosswalk, right in front of our house. Many cars come up into our yard to avoid people. We have the unique opportunity to live across the street from the college, where we have lots of students and lots of pedestrians. And with the speeds that continue to happen, there's probably going to be more of these kind of altercations between humans and cars and other things. I don't mind my bush being taken out in my front yard if it means somebody doesn't get hit. I would just hope we can reduce the speeds by going through this initiative of speed bumps to help us slow down the traffic and provide safety for all the people in Portland that travel through this area. Thanks.

Katz: Thank you. Anybody else? Come on up.

Michael Sestric, 2237 SE 32nd Pl., 97214: Mayor, members of council. Thank you. My name is michael sestric. I'm the campus planner for lewis and clark college. First i'd like to express my -- on behalf of the college -- appreciation for -- to josh and all the pdot staff who have helped work on this program. And especially to josh for carrying the water earlier on that speed bump project, because without him it probably wouldn't have happened. We were pleased to be a participant in that. I'm here to testify in favor of this demonstration project and am pleased that it will go through and the college is also pleased that we'll be one of the test sites. We're very happy about that. I would like to suggest that because this is a pilot program, that we keep in mind some aspects of the program that we may want to evaluate at a later time. One of these is in the eligibility criteria for the street classification. The criteria refers to 75% residential land use. It may be just a clarification, but my assumption is that that -- the intent is that that will also include constitutional residential zoning or land zoned like that. There are stretches, for example, across from lewis and clark, if we adhered strictly to the notion that it's residential only, the program might not work because it would -- we wouldn't be able to meet that criteria, because the college owns the land on the other side of the street. So it would only be 50/50, something like that. I'd like to suggest consideration of how the language for property definition in the voting category is written. It seems like some clarification for how to define participants. For example, the language i'm reading discuss specifically single family houses, separate units, duplexes,

August 11, 2004

such like that. I'm assuming somewhere in this language you'll want to have a vote in this as a property owner. I don't know if this would be similar to an I.i.d. Process, but that might be a process one could consider in terms of how eligibility is considered. That may be just a clarification of language. Finally I talk about the cap. I think raising the cap in this case to 10,000 vehicles will clearly allow some of these projects to move forward, but as josh's example in our neighborhood suggests and rob's testimony suggests the cap may in fact be arbitrary. So it may be that looking at the way in which the analysis is done might suggest some other way to decide whether a high-volume street should have speed bumps on it or not may be able to figure out something besides using a fairly arbitrary and rigid cap. That's what got us into this trouble in the first place. Is the 4,000 vehicle cap, when in fact we found out in our neighborhood that most of those 4,000 vehicles disappeared by the time you got to the end of the street.

Katz: Thank you.

Sestric: So thank you very much.

Katz: Let me respond to that. You're right, I didn't realize there was an arbitrary number based not on a technical issue, but related to the ability to do outreach.

Sestric: That's my assumption.

Katz: I think that's what bob did share with us a few minutes ago. If i'm wrong, let me know, but that's what I thought I heard. Thank you.

Sestric: Thank you.

Katz: Anybody else?

Stevens: Mayor, may I point out a clarification?

Katz: Sure.

Stevens: Identify yourself for the record again.

Stevens: Will stevens with the office of transportation. I just wanted to clarify two points that michael brought to your attention. The 75% land use. We define a property as a single property. We define it by -- not by the curb frontage. We define it by a property designation. So in this case lewis and clark, in fact, would be less than 5% of the residential land use in the neighborhood. We, again, by single property. And for the issue that michael raises about I.i.d., this is a residential purchase program through permit process. We do not use I.i.d.'s to build these particular types of projects, because they're simply inefficient to do so.

Katz: Thank you. Questions? If not, let's do roll call on 945.

Francesconi: Well, as i'm talking to residents, including last night, one of their biggest concerns is safety in their neighborhoods. You know, and the tools -- speed bumps are an effective tool to actually reduce traffic speed and keep their kids safe, like we heard here today. We need education, enforcement, and some engineering solutions to improve the livability of our neighborhoods, and speed bumps are not the only thing, but they're part of it. And the livability is essential in all of our neighborhoods. To do this we also have to make them affordable. And that's what this effort does. We got money from increasing traffic fines at the legislature, and it's only appropriate that speeding motorists are now paying for more speed bumps in our neighborhoods. That's what this is about. And we wanted to lower the costs to our residents, not only in southwest, not only in inner southeast, as this pilot programs, but in north and outer east and all over. So that's why it's important that this pilot work. But it's also important that we have a fair process. And that's what the second ordinance is about. So we do need the ability to lower the cost for speed bumps, as we need more police enforcing it, and as he we have to educate our citizens that it's neighbors speeding in their own neighborhoods. But we also have to have a process to make sure it's fair when there's spillover into other neighborhoods. And that's only fair. And that's the second part of this ordinance. So this is a good thing. It's about improving the livability in our neighborhoods and making our kids safer. I'd like to thank mark leer for doing yeoman's work in advocating for this. I'd like to thank -- oh, gosh, i'm sorry -- everybody else that worked on it. We have a great staff at pdot. And thank you. I hear a lot, you know, that -- from folks, you know, we do need to do better in terms of listening to our citizens and

August 11, 2004

customer service, and all that's true, but I know that in the bureau of transportation we work hard to try to listen to folks and try to respond. And a lot of our people are frustrated, because they know, they'd like to give you tools to have more speed bumps in places, but we have restraints. And so we try to do it in a fair way. But we also try to listen to you. When you make a point and you're right, as you were, and are, on southeast 21st, just to pick one, we try to respond. So this is good. Let's keep moving in this direction. Thanks. Aye.

Leonard: Aye.

Saltzman: Well, this is great work. I want to commend commissioner Francesconi, the office of transportation, and all of the neighbors who helped -- helped us solve this issue. I know that speed bumps are one of the most sought-after things here in the Portland -- as we witness our community budget forums, I think it was traffic and neighborhoods and litter seemed to rise to the top as the two top concerns. This is certainly one of the most effective ways to deal with speeding traffic through neighborhoods. Many of these streets that are going to be subject to this pilot program are indeed freeways through our neighborhoods, and this will really help calm that traffic down and make them much safer for the residents, the kids, and the motorists. Good work. Aye.

Katz: The last time we had neighbors safe, which was a couple years ago, I was amazed that when the citizens broke up in small groups and came back to report to us, that it wasn't crime. What they were concerned about in terms of keeping their neighborhood safe was the speeding. We heard it over and over and over again. We had officers in the room to deal with some of the property crime issues or some of the more serious crime issues. And that's not what the citizens responded to. So this is good work. Aye. [gavel pounding] 946.

Item 946.

Francesconi: Will Stevens. [laughter] Thank you for your help. I guess the other message, you know, the other side of this, and I eluded to it earlier, but the message has to be to our own citizens, that you got to do better than this and stop speeding in our neighborhoods. We're going to do what we can to enforce this and to fine you, but that the message is let's not make us do that. Let's keep our neighborhoods safe and our kids safe. Aye.

Leonard: Aye.

Saltzman: Aye.

Katz: Mayor votes aye. [gavel pounding] all right. 947. Go ahead.

Item 947.

Francesconi: This is a brief good news story. We always hear about shootings and other things, and we have great stories here to tell. We want to be brief to the council and tell it. And again, this is a partnership of the university of Portland, Portland parks and recreation, and mainly the young people themselves. And what we've created is a mini-masters program in business administration at the university of Portland through the great work of university of Portland and Michelle Harper. And so what we've done is, and Charles Jordan started this back in 2001. What we do -- more than 100 students now have benefitted during this four-year history. And what they do is plan business plans that we then implement at the university of Portland, and then the latest is along small businesses along Interstate Avenue. So it's a combination of, you know, using kids that come to the university park community center, but then matching it with the university of Portland, and helping our business climate. Let me turn it over to Michelle first.

Michelle Harper, Portland Parks and Recreation: Good morning, Mayor and Commissioners. Thank you very much for the opportunity to come before you this morning. Just want to say a few words about this very innovative program that we've created with these young people. What we have learned over the four years of this program is that giving them the opportunity to learn in very non-traditional ways, we've taught them the skills of self-confidence, communication, problem-solving, community building, organizational management, giving them the challenge they will rise to the occasion every single time and just excel to soaring heights. We're very proud to present these young people before you this morning, for them to be able to share with you what they've learned over the

August 11, 2004

summer. We would just ask the council to continue to embrace this project. We could really use your support with the business contacts you have in the community, either with funding resources or in-kind resources from the context that you all have throughout your daily contacts with folks to be able to expose the program to them and give them the opportunity to take a look at it and to be supportive of this effort. We're creating new leadership in this community, and this is an untapped treasure that we want to hang on to. At this time I would turn it over to heidi sause, the executive director from university of Portland.

Katz: Thank you.

Heidi Sause, Director, Center for Entrepreneurship: Thank you for having us. This is the second time we've been invited. Four years ago we came and we're honored to have the opportunity ago.

Katz: Was it really four years ago?

Sause: The program is four years old. One clarification, I noticed on your agenda, that it says high school students. One element of this program is that we follow our students, once they've been in our program, they are always going to be in our program of the and we have phone calls that the students want to get a job, they want to get in school, we support them and endorse them in those efforts. Every one of the students today has been a graduate from a previous program, so they have the material that they can build on. These are college-bound students now. They're either in college or college-bound students. This program demonstrates, i'm very, very proud of Portland, and this program, because in my role at the university of Portland entrepreneurship program, we're going to have 100 of the universities from across the nation here this october. We were invited to host the national conference. I can guarantee you this program is the most innovative outreach program for youth development in the nation currently. We have an opportunity here in Portland to lead the nation and also get visibility for it for our community and for our state and developing these people through collaborative partnerships, we've used -- it isn't just the university of Portland, isn't just parks and recreation, it's trimet, it's b.d.c., it's the business leaders, it's the students who use the public transportation to get here today, to get to these classes. This isn't easy for them, and they want to do it. And we're all passionate about it. So I hope that as michelle said we can find some way together where the students might earn their keep and become a -- become on a consultant basis, because they know this much, I think you'll see that through their presentation, they could provide a youth perspective, which the city of Portland appreciates because they have the talent, the expertise, and that perspective. And perhaps they could earn their way to support the program by focusing on a community issue every year, analyzing it, and offering back to the people that are asking for it, for the value of the program. So with that, i'd like to present the students. Would you prefer they stand so they can talk --

Katz: No, no. I prefer they sit so that people who are watching this can see them and hear them.

Sause: Ok. Is there anyway we can get their powerpoint up there?

Moore: Are you ready for it?

*****: Yes, please.

*****: Thank you.

Katz: All right. Come on up. You're a little too young for the young and restless, but you're getting there. Ok. Who wants to start?

Amy McDonald: I will. Good morning. My name is amy mcdougal. I'm one of the many m.b.a. Ambassadors. On behalf of the mini m.b.a., we'd like to thank you for letting us give you our presentation. I'll introduce svetlana with the objectives.

Katz: You folks need to tell us what high school you went to.

McDonald: I graduated from david douglas high school.

Katz: Ok. And where are you headed to?

McDonald: Mount hood for two years, and then transfer to a university.

Katz: All of you need to let us know a little bit about yourself. Go ahead.

Svetlana Perepechaeva: I graduated from jefferson high school two years ago. And i'm going to be a sophomore at university of Portland this fall. Ok, every year the mini m.b.a. focuses on improving

August 11, 2004

one local issue. We aimed at seeing how the businesses along interstate avenue could benefit from the completed max line and use it to their advantage. This idea was initially suggested to us by the editor - - associate editor of the Oregon business magazine. During the two weeks of the program we assessed the businesses along interstate and visited some of them. And by doing so, we were able to see some of the opportunities available to those businesses and also evaluate some of the challenges that could limit those opportunities. In class, we developed some strategies, how to overcome those barriers, which we're going to present today. And also some recommendations that could be used to the advantage of those businesses. So the current status of the interstate max line is the max is up and running with ridership exceeding the expectations. The area is clean and reconstructed and looking very nice. I live there. And fred meyer's is opening up soon and new seasons is coming. Also, there are many new businesses opening up on interstate avenue, which tells us that there's lots of opportunity in the interstate area. With that I turn it back to amy.

McDonald: Thank you. Some of the observations that caught our eye while we were doing the small businesses, is that there's still affordable, even though they put businesses there. It's clean and convenient now that they've cleaned it up and put the max line, and they have business assistance available, meaning it's better, it's more convenient to put a business there, but as the area has dynamic changes, there's also a few challenges, which leads me to my next slide that the area faces, like for example displacement issues, like property values going up, people may not be able to afford it, jobs at risk as new jobs and businesses come in. Old jobs may have to move out. And also what the city could have done with the money. Could they have used it for schools or health. So I will turn it over to ross with the barriers.

Ross Duckworth: Hi. I graduated from jesuit high school in 2003. And i'm going to franciscan university in ohio. And i'm going to be talking about the barriers to success for some of these new businesses. And some of those barriers could be as simple as parking and as complicated as the reputation in regards to the old neighborhood and the new neighborhood, and competition from the pearl district, the lloyd center, and the m.l.k. District. Now i'm going to introduce isaac to talk about the potential patrons.

Isaac Jones: I'm isaac jones. I graduated from grant high school. I'm going to be a freshman at university of Oregon this year coming up. One of our primary objectives was to assess business along interstate. And this graph does that by showing a lot of the possible customers in the area. As you can see along the -- or riders of the max is a large portion, because there's 4,380,000 yearly rider. At both ends, with the rose quarter and the expo center, that's another two large amounts of possible customers. And then at u.p. There's 110,000 people a year, and this is only counting the men's basketball and soccer events. This isn't counting all the graduations, concerts, plays, sports camps and other sporting events. These are possible customers that they can advertise when they'll be coming through the neighborhood. Then on our next slide, the next slide shows the reason why this area has so many opportunities. First of all, the max is going right up the middle, which is what we've been talking about. And also there is the population of 25 to 34-year-olds with college educations is growing at five times the national rate, which is good for the area, because we know these people are consumers, they're going to be buying houses and stuff. And also, all the business like popping up along interstate and everything is improving the image of the area, similar to alberta street. So that's going to be good for business as well. And also, the area is a u.r.a., urban renewal area, so the city is supporting it. And there's low interest rate loans and there's lots of things, like you can get your storefront fixed like for cheaper, and there's lots of things supporting these businesses. And the next slide is --

McDonald: Thank you, isaac in order for you to succeed, one of the coaches at university of Portland, coach michael holton, gave us a quote, that you have to be available in the present to take advantage of the opportunities. We're going to put that in real life with the next slide, which money follows money with nathaniel carter.

Nathaniel Carter: I'm a graduate from grant high school. I plan on going to texas southern this fall. A couple years ago right under the 7-eleven, there was two businessmen who lived around -- who lived

August 11, 2004

right under there. They -- one was -- he worked at intel, and the other one was a landscaping owner. So they decided to become entrepreneurs and put their money together and invest in that building where the star is, which is now -- they leased it to the italian kitchen and sushi bar. And so since -- since they -- since they did that, the other companies around it, the other buildings around it, has an opportunity to either get -- to either get -- make their money to either -- they have the opportunity to make more money by either selling their company for better value than what they bought it or taking advantage of the -- of the traffic flow that has come from university of Portland, sal's famous italian kitchen and sushi bar, and the adidas that's right up the street. So that's -- so that's basically how this -- that one major area, it is basically following the money. And knowing what we have gotten from the mini m.b.a., from the classes that we've taken, and the knowledge, we've come up with the strategies that you see. In order for us to do that, you have to celebrate the unique -- unique diversity around the neighborhood by making your -- your area -- by making the area -- the interstate line different from the pearl, alberta, downtown, and other major places. They have to celebrate the diversity in the neighborhood. There's about eight different languages that are spoken around there. B2b stands for business to business. The business to business alliance is like a small flower shop coming in contact with a small -- like on interstate, if they came together and the flower shop gave them flowers to help brighten up their shop, to brighten up their -- his cafe, then, you know, he can also -- he's also advertising the flowers for the flower shop. And next, you have to bring -- you have to bring -- there used to be a jazz district. So basically using that, and bringing -- having like a little jazz section, and using that as a magnet to attract people from all -- from other parts of Oregon. And next i'd like to introduce stefana.

Katz: I need to understand. Italian and sushi? How did the combination, do you know -- are you familiar with the history of that? It's rather strange.

*******:** No, not really.

Katz: That's that's the issue. It is strange. That's the attractiveness. [laughter]

Francesconi: Italian and anything is good, mayor. [laughter]

Katz: All right. Go ahead.

Perepechaeval: Ok. Some of the recommendations we have are like pretty basic. I'll just touch on two of them. We have more, but i'll just do the two main ones. A professor of cross cultural management said that if a business is to be successful it must fulfill four criteria. And are to be clean, safe, comfortable and have quality. And if a business has to be -- or it needs to be sanitary and look nice if it is to attract people. Also well lighted and comfy because people like to feel good when they come. Another thing is that -- that every business should strive for is financial discipline, as we heard that many businesses fail for the fact that they don't know how to manage their money. That can be done by mapping cash flow. And so back to ross.

Duckworth: I would like to thank the council for inviting us here today, and the strength of our program comes from our many collaborations and our good partners.

Katz: Thank you.

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

Katz: Much, much luck to all of you and your endeavors. Did you want to close?

Harper: Would just like to say again for you to keep this project at the forefront of your mind, and as you're going out and talking to the people that you come in contact with every day, to just share a little bit about this program and how important it is to us, and how important it is to the city overall. We appreciate your support in that endeavor.

Katz: Thank you. Ok. Thank you, everybody. Keep up the good work. The piece that I love the most is the financial discipline, because that's the important part for this council as well. Ok.

Francesconi: I guess I wanted to thank a few people. If that's ok. I'll be very brief, mayor. Maybe instead of thank you, is how proud we are of you, starting with parks, for reaching out, michelle, but also bob, lisa and doug, and everybody from parks to try to use parks in different ways to help people economically as well. And university of Portland, we're proud to have you in our city, and the fact that

August 11, 2004

you would reach and try to help others the way you have here, we're very proud of you. But mainly it's the young people. I didn't know any of that when I was your age. I ran a business for 18 years, and I'm not sure I knew any of that half the time through the business. You had some entrepreneurs back here that were ready to hire you after the presentation. So I just want to tell you on behalf of our citizens how proud we are of you and you have an advantage now over some others. So you can go to school, learn some more, refine it, then come back and work for the Portland development commission or own your own businesses. So it's great for you to share this.

Katz: Ok. Regular agenda, item 964.

Item 964.

Katz: I'm going to turn it over to second to commissioner Leonard, but we have seen this entrepreneur before when he reported to us about the collaborative efforts of a lot of entrepreneurs and urge the us to -- urged us to help them find the funding and give them the opportunity to provide their service to the city. What you're going to hear today is what Boec and commissioner Leonard are presenting to us.

Leonard: Very briefly, this is associated with the rain project, which is Carl's brainchild. And quite simply what it is is a fascinating and important tool in protecting the community. Carl has initiated this project that is basically a program that allows Boec to notify specific -- what did you call them? Subscribers? Subscribers to this project --

*****: Stakeholders.

Leonard: Stakeholders. -- to be notified if there's an emergency in their area that could affect them. So a particular school, building, library, whatever institution we deem important to know if there is some incident occurring in real time as well. This isn't notification at some point later, but that if there's a police incident, a fire incident, some other kind of disaster, the users of the system are notified that that's a -- that's occurring in their area, and can take the necessary precautions. So this is a fascinating, really well thoughtout program that Carl will give us a lot more detail on. Carl?

Carl Simpson: Good morning, commissioner Leonard, council, mayor. Nice to be back with you again. This is a great opportunity to report back to you on a fun, innovative, amazing project that has cost the city absolutely nothing in financial resources and has gained incredible credibility across the country. I'm extremely proud of the relationship that -- that the city of Portland and rains have established. The connect and protect piece of this can't be overstated. So much that the J.F. School of business at Harvard has taken an interest in this. This project is one of five they're considering for a national award in innovation in government. With me today is my colleague, Wyatt Stearns. My name is Carl Stearns. I'm the director at Boec. We're here today to ask for your support and approve an ordinance before you. A little bit of history on this. About a year ago, maybe 15 months ago, I had the opportunity to be a principal for a day down at Maplewood elementary. And it's a -- it's a great project. Fun to be out there in the school, see what's happening in our school systems. And I spent the day with John Blank down there and watched him do amazing things as the principal with very few resources. And he made decisions all day long. He was doing teacher evaluations, he was wiping up broken glass. He was counseling. He was doing a teacher evaluation. At lunchtime, a teacher came up to him and said, principal, are we inside or outside? And this is their vernacular for are we going to have recess outside or inside after lunch? He looked up at the clouds, and he said we're outside. So we go outside. I'm playing along. I'm playing foursquare, getting my butt kicked by a bunch of fourth graders. Haven't lived that down yet. But I recognized that that was principal's decision -- sole decision-making criteria, was what is in the clouds to send the kids out on to the playground. And being from the 9-1-1 world, I know there are other things happening in and around that neighborhood. So after recess was over, I settled down with the principal. I said, John, if you knew there was a chemical fire upwind, would you have made a different decision about sending the kids out to the playground? He said absolutely. Got back together with the rains folks, and I said you guys have amazing technology. I have an amazing problem. Can we make something work here? And without hesitation, they said absolutely. My criteria was, this needed to be done in a time -- time is of the essence in situations like this. It needs to be real time. There can be no additional effort by the

August 11, 2004

dispatchers, because if we depend on human intervention for the notification to happen it's not going to happen in a timely and consistent manner. So I don't know what they did. They figured out how to make it work. They deal in magic. They brought a demonstration back to randy's office about a year ago, and it couldn't have gone any better. I mean, this was a demo, an alert came over the network right after we heard fire engines roaring down the street. I know you think we staged that, but we did not. And so wyatt's going to talk about the rains program, the connect and protect, but I want to publicly thank rains and wyatt and his colleagues for bringing some very positive information to the school districts and bringing some extremely positive press to the bureau of emergency communications and the city of Portland.

Leonard: Before wyatt starts, I want to acknowledge, when I meant the brainchild, I meant implementing the way we do. Obviously, wyatt, you are the --

*******:** I've been heavily throughout the project's history.

Leonard: Yes.

Wyatt Starnes, Chairman, Connect and Protect: I'll touch on that briefly commissioner leonard. First of all, good morning, commissioners, mayor Katz. Appreciate the opportunity. It's been almost exactly one year. I pulled up the powerpoint that I presented in front of you about a year ago, where we talked about the vision of rains, which is an acronym for the regional alliances for infrastructure and network security. Which is fitting for Portland as the basis of this technology coalition, or public/private partnership, which is really a key element to this, as the impressive speakers before us mentioned the importance of public/private partnerships, we certainly depend on that as well. Since that time we have made, as an organization, tremendous progress, and much of that progress was anchored, and is anchored, in the work we've done with carl simpson in the 9-1-1 center. On the assumption that this ordinance is approved today, it makes Portland one of the only cities, probably the only city in the country, that is using internet automation to get 9-1-1 alerts out to the community in a very effective way. And get it to the stakeholders in a way that's useful and targeted for their particular needs, whether it happens to be the principal of a school or the owner of a hotel and so on. Now climbing up a level or two from that, rains historically was conceived not long after september 11,2001, where our world changed permanently. And really was conceived as a way to bring the community together in a public/private way to create a better way of communicating important, sensitive information, important information, to necessary stakeholders. 9-1-1 to Portland public schools is one great example of that. There are many more. Since I presented to you, we've made a lot of progress. I'm not going to touch every slide here, because there's too much material, but we are a nonprofit organization. There are over 50 participating organizations, many small companies, many large companies. We've been very involved at the federal level. That is critical in this environment of funding and -- and other initiatives that are happening at the federal level. We have active engagements as a nonprofit with the department of defense, with the transportation security administration, and others. I'll touch on those briefly. On the slide here, it says our nation's information sharing mandate. I don't know whether you've had the chance yet to read the 9-1-1 commission report, but i'm sure you've seen excerpts from it, as we all have, and we know that people lost their lives on september 11 due to limitations in the way first responders can react to situations, and even ahead of events the way intelligence communities communicate important information, precursors, if you will, to important incidents. So nationally our information-sharing environment needs to change. We need to move from a highly siloed need to know environment, from a very cross-organizational need to share environment. Now this sounds easy. And frankly, technically, even though carl compliments it as magic technically it not that complicated to make the internet work in that fashion. There are tremendous cultural challenges, however, in getting agencies to work, cross-agency and share information. And so part of the challenge that we have undertaken as an organization is that. We first deployed the system with carl and his teams in about a year ago, as he mentioned. We've processed over 100,000 events. That means that we're decoding transparently events that are entered by 9-1-1 operators and moving those events in a targeted way to the end

August 11, 2004

stakeholders in using the power of the internet in a very flexible way. For example, in Carl's example of the principal, what happens if there is a spill of gas fumes that are near a school? What are the response procedures? And so besides sending the incident and allowing the principal to log on to that realtime we can send the response documents -- or he can have already on hand the response documents, keep the children inside, call the following bureaus to find out additional information and so on. We are expanding the connect and protect system, which rains, as I mentioned, is a nonprofit organization. Connect and protect is the system itself, the hardware/software that compromises information sharing. It can be used for the Portland 9-1-1 center. It can be used for sharing information with the port of Portland and other constituencies and so on. So we're expanding the system broadly, certainly across the state of Oregon. You see here some of the stakeholders that are already involved in the program, including the university system at large. Many of the large employers. Clearly logistics are important in the area of information sharing, both in terms of maritime traffic and transportation systems. Beyond the obvious safety aspects here, we're talking about economic development benefits that are potentially extremely significant. If we can make our port system run more efficiently before and after an event, whether it's in a natural event or man-made event, that can make us more competitive as a region. Also the technology and expertise that we've developed in collaboration with Carl and other groups puts us on the top of the list as a state in the country, developing a center of excellence around information sharing. And information sharing is an extremely high priority for this country. And will be for the foreseeable future unfortunately. So that in itself creates a wonderful opportunity to create more Oregon jobs around the technology, around the expertise, around the culture aspects of how to we build and deploy, not only statewide information systems, but nationally tiered information systems, where the department of homeland security can understand when something of importance is happening in the port of Astoria and vice versa when the department of homeland security is aware of an incident of a certain type that may occur within a certain region rather than alerting via CNN or other medium, they actually can create directed alerts to the coast guard or other stakeholders. So the vision for this starts very simply with Carl Simpson's work in the Portland 9-1-1 center as just a great example of public/private cooperation and technological cultural crossover, but the larger vision is taking this countrywide in making this a new element, a new tool for communicating important and sensitive information across the entire national infrastructure. Now let me get to a couple of details. We recently announced in the Portland -- and "the Portland business journal" was kind enough to put us on the front page, talking about a project with the transportation security administration. The project is called CIAC, an acronym for cargo information action center of this is the first of its kind in the nation. It interlinks 22 port constituencies of which which port may have multiple stakeholders, both private and public for the first time in a centralizing sharing information network where an event or activity may occur in one of the port system that has a dramatic effect on another part of the port system. Again, it can be man-made or natural. We are the first state in the nation to receive funding for a prototype or proof of concept of this magnitude dealing with maritime, commerce flow and maritime security. If we are successful, which we fully intend to be with this project, we could lead the nation as they roll out to 46 other national port regions. Again, those are port regions that may be as large as the New Orleans port region or the New York port region. So it is -- it is an achievement for the state. It is appear achievement for the organization to have received this acknowledgment at the federal level. And of course it's nice to have the dollars. And the dollars I will say are prefunded 2004 dollars and are sitting nicely in an Oregon bank account, waiting to be spent for Oregon resources to begin the deployment of this project. So this stuff is real. This stuff is extremely important. It starts locally and expands nationally and probably internationally. I'll touch on one other project, which is outside of the region of Oregon. It's on the slide that I have on the screen now. Louisiana regional emergency command operations network. This is another project using rains and connect and protect technology funded by the D.O.D. Intended to protect critical infrastructure in the area of Louisiana. Something like 40% of our manufactured jet fuel flows through a set of pipelines in a very localized geographic area of Louisiana. Much of that pipeline is exposed

August 11, 2004

and vulnerable. And the coordination around addressing first response issues related to that pipeline have been somewhat fragmented. So here's another funded project that rains is undertaking on behalf of its member companies and constituencies. I'll finish with the slide. Other active rains initiatives. I mentioned Oregon and Louisiana. We're also working with Steep Cooper at Department of Homeland Security, and worked closely with the state of Oregon actually, Governor Kulongoski's office, relating to some information technology exchange grants that are also fiscal year 2004 money that allow us to extend the rains capability, the information sharing capability, to one of the grants has to do with a Northwest Foods Processor Association, again this is a commerce issue as much as a security issue. We're concerned about our food chain for terrorists and security purposes, but huge logistic issues, when one part of the river is shut off, a huge part of the commerce in our state is disabled. And having better communication is critical to that. We worked very closely and are considered to be one of the top technologies in the country, and one of the leading centers of excellence, as I mentioned, at the homeland security level. We work very closely with the department of homeland security, as well as their operation center. I want to extend this model up above the Portland public school 9-1-1 center and have you visualize that is one triangle in a set of tiered triangles that will reach all the way up to Washington and all the way back down to the port of Astoria and allow us to communicate better as a state, as a nation, around critical infrastructure issues. And I want to complete my comments by saying this is Oregon technology for the most part. This is Oregon cost for the most part, although there will be other companies involved in this. And the opportunity for -- for economic development contribution is significant. And it was all seeded with about \$50,000 in Oregon economic and community development dollars almost two years ago. Thank you very much for your support and your confidence in our program.

Katz: Thank you. Questions? We have great faith in you.

*******:** Thank you, Mayor Katz.

Katz: Thank you for your leadership on our side of this collaborative effort. Let's open it up to public testimony.

Moore: I didn't have a sign-up sheet.

Katz: Anybody want to testify? Ok, roll call.

Francesconi: Well, this is a terrific thing, so it's helping BoeC do its mission, but connecting -- helping keep our kids safe, so that was a great example that you used with the principal, but it is our local cost also with the possibility of providing jobs, not the probability, of providing jobs, using our high technology expertise to keep our citizens safe. So the issue of the port, which you brought up, is becoming an increasing issue in the presidential campaign as well, about how to keep our ports safe. And so there's a great opportunity here, I think, to get more federal resource to address this. And since you have the technology to do this, be great to protect our port, but also expand more local businesses here through the rains network who can keep other ports safe across the country and create more jobs here, which is a good thing.

*******:** Absolutely.

Francesconi: If there's anything we can do to assist you in getting the necessary federal resources as well as other matches to make this thing happen, let us know. Thank you all for your work. Aye.

*******:** Thank you, commissioner.

Leonard: This is wonderful technology. It provides a layer of notification for businesses, individuals, that ultimately could save lives. But I guess what's more important for me is, is that Carl recognized an opportunity to do something different, to improve services, and made it happen. And I just really appreciate that about Carl and his approach to his job. And it's a good model for all of our bureau directors to look at to think about what we can do better with what existing resources we have. I really appreciate your work on this, Carl. Aye.

Saltzman: Well, I really appreciate both the connect and protect basics for what it is, and that's a safer community. But -- and I want to thank Carl for his entrepreneurship here in working with rains to make this all happen. It's a great asset to our safety system, but I also wanted to recognize the

August 11, 2004

tremendous catalyst rains has had. It truly is a successful -- so far -- very successful economic development cluster with modest \$50,000 state investment. You've landed almost a \$2 million federal contract for an innovative port security arrangements, and it seems like more good things are going to come your way. You really have, in the finest tradition of Oregon economic development clusters, really have found a niche here that really this country must take advantage of if we are to become truly safer from both intentional and unintentional risk that are out there.

*****: Thank you, commissioner.

Saltzman: Aye.

Katz: The issue for any mayor is realtime information. Somebody sees something, calls 9-1-1. If 9-1-1 is aware, which most of the time they are, they may notify somebody in the police bureau or the fire bureau. Let's take a minute open the police bureau. That information gets to the 15th floor, and supposedly then has to disseminate to a lot of other folks, including the mayor, who needs some times to make immediate decisions. That doesn't always happen. Or there's a real time lag. Something gets phoned in, it's a real issue, but the beepers don't go out for quite a long time. And when I talk to wyatt originally, what I envisioned was the ability to get that information direct as opposed to getting it through a variety of silos that may or may not respond immediately. And that's so if you're at your computer, working in the office or at home, you'll see a message, this is sort of the idea, that we've got a problem, and identifying the problem, and then what to do with the problem and then who to call. So this is a wonderful first step that will help the schools. My goal is to continue to talk to wyatt about expanding that to other bureaus. And if some funding -- if and when funding is available to all of us to deal with some of these issues, that we expand the vision to be more inclusive with city bureaus as well as other bureaus in this jurisdiction. Aye. Thank you.

Starnes: Thank you, mayor Katz. I wanted to add one closing comment. We've had the privilege of working obviously very closely with carl, very closely with carl, and Portland has a world class 9-1-1 center. We are being put up across the nation as an example of not only an innovative and entrepreneurial 9-1-1 center, but just a great capability to execute on an emergency management basis. And so carl and his team have done an absolutely fantastic job. We're bringing visitors to town now on a regular basis from Washington and other states to show off what we're doing here in Oregon. So great work.

Katz: Ok.

Leonard: Great work.

Katz: We stand adjourned until 2:00.

At 11:34 a.m., Council recessed.

August 11, 2004

AUGUST 11, 2004 2:00 PM

[Roll call taken]

Katz: Commissioner Sten is on personal business. Mayor's here. All right, now --

Item 965.

Katz: Ok. Why don't we take them one at a time. I think the council remembers the issues with them. Let's take 965. This is only the intent. So the issues that we talked about, whether to include housing, you know, own a condo, low-income whatever, those issues, as commissioner Francesconi explained to me this morning, we don't need to technically address those today, but probably we will, because I think there's a consensus -- there may be a consensus on the council.

Brant Williams, Director, Office of Transportation: Yes. Brant Williams, director of the Portland office of transportation. Ideally, given this particular resolution, it would be good to move forward with action as soon as possible, because we have -- we're going to recommend that we include condos. And home --

Katz: Why don't you do that right now.

Williams: We will do that.

Katz: Ok.

Williams: If we could take action on this today, it would be good. And since it is a resolution, action today would make it final. So there were a number of issues that were raised regarding the -

Francesconi: But to clarify that, so then we give notice to people so we'll have a hearing on it, people have a right to come in and object as to whether they should be included or not.

Williams: That's correct.

Francesconi: But this is a heads-up essentially, but then the public process will begin, and people will have a right to come in to object to the amount of the assessment, but the fact they're being assessed at all. I just want to clarify that for folks.

Williams: All the notice that's gone out to date is informal, informational purposes only, trying to get as much support for the l.i.d. As possible. If the council improves the intent to form the l.i.d. Today, if you approve this resolution, that officially starts the formal action of forming an l.i.d. We will come back by september 29, or shortly thereafter, with the actual ordinance to form the l.i.d.

Katz: All right. Let me push back a little bit and pick up from where jim -- if I was a condo owner, who wasn't included before, and we make a decision collectively to include them, but lower the assessment rate, and then say, but it really doesn't matter because you're going to have another shot at it, I would feel that we might be pulling something on that group of citizens. So the question is, since not all of it is going to be acted on today, do you think that it would be better off to extend it for another week?

Williams: No. I would recommend not extending it for one week. We could not provide the necessary notice to those 3600-some-odd property owners. Again, what we've done to date is really just put in place a -- a proposal that you can approve today.

Katz: I understand. That. Yeah, I understand that. But the council may give you direction, that this is where the council may be heading, or will be heading, but it has the opportunity to change its mind after we hear the public testimony.

Williams: That's correct.

Francesconi: I think a fair way to view it is we want to get reaction on this proposal, as opposed to where this is where we're heading. I think that's a fine distinction.

Williams: The remonstrance period, which we will get into, once we have the approval to provide notice, lasts for a number of weeks, up until the actual formation date, which is, again, we're proposing -- we'll be back to you september 29.

Katz: Why don't you go through and share the decision that you're recommending to us after the conversation that the council had last week.

August 11, 2004

Williams: Ok. Actually for this item there were five specific questions that the council had, and i'm going to turn it over to doug obletz since he's pretty much been the go-to guy on the l.i.d. With us.

Katz: And there's a substitute. So let's move the substitute.

Francesconi: I'll move the substitute.

Katz: Do I hear a second?

Saltzman: Second.

Katz: Any objections? Hearing none, so ordered. [gavel pounded] all right, go ahead.

Doug Obletz, Project Manager, Shiels Obletz and Johnsen: Mayor, members of council, doug obletz, the City TriMet manager for the Portland mall revitalization project. 520 sixth avenue. You have a memo that is attached with the substitute resolution, which describes the pdot recommendations on the five issues. I'll summarize them very quickly for you. We're currently recommending that the 3600 -- roughly 3600 condos within the district be included. At the same time we're recommending that a new assessment rate for all housing be included in the l.i.d. The previous proposal was based on \$3.50 per \$1,000 of value. We're currently recommending that all housing ownership and rental be assessed at a \$2.60 rate per \$1,000 rate which represents 50% of the commercial rate. We're also recommending that low-income housing be eligible for a further reduction to \$1.31 per \$1,000. This has been discussed extensively in the low-income housing community. We feel pretty comfortable that they're comfortable with it. The way this would work is that the notice would go out to all housing at the \$2.62 rate, and at the time of assessment low-income properties that service tenants at 60% of median income or below would be eligible for the lower rate. And just as an example, central city concern, which has about a dozen properties in the district, was extensively consulted on this, and they're currently comfortable with this proposal. The third issue had to do -- i'm sorry. The fourth issue had to do with potential changes for historic properties and pdot is recommending no change relative to the assessment method for historic properties on the basis that using assessed value as opposed to market value presents some legal and precedent challenges. The last issue had to do with whether nonprofits should be excluded. We have included in the resolution a clarification in the assessment method that makes it clear that all nonprofits are included under the local institutional definition, which makes them eligible for a rate lower than the commercial rate. I'd also like to point out that I believe the council has received a letter from Multnomah county requesting that they be exempt from the l.i.d. And that's something that the council can deal with down the road at the -- at the ordinance hearing. So those are the key changes that are reflected in the resolution. I also promised, when I was here last week, that I would come back with a much more detailed status report on our efforts to secure petitions from key property owners on the mall. You have in front of you a rather detailed status report on all of the properties that are now under petition. We're very pleased to report that we have almost 53% -- we're at 52.7% of the assessment amount under petition. From a remonstrance standpoint we also have, including the city and p.d.c. Properties, about 37.5% of the land area. Specifically, a couple changes that have occurred in the last week, we've added the two highest value properties in the downtown with commissioner Francesconi's assistance. The pac west tower across the street has signed. On their petition has conditions associated with it, basically associated with some changes that have already been included in the preliminary engineering. So we're in very good shape there. Unico, which is the --

Katz: Whoa, whoa, whoa. What conditions?

Obletz: Specifically removal of parking -- or i'm sorry -- removal of the median on madison street, installation of parking, some changes to the cross-section of sixth avenue to add parking on the west side of sixth, and the removal of a bus stop.

Katz: This is the gentleman that you flagged all the wonderful things that --

Leonard: No, not flagged. Flogged. [laughter]

Obletz: Probably one of the greatest opportunities, I think, that's reflected in the petition that was just signed yesterday is for the u.s. Bancorp tower. It is a -- the largest building in downtown. Represents about a million dollar assessment. Unico has signed on. One of the things inherent in their petition is

August 11, 2004

a commitment to work with tri-met in the design of a plaza that they're planning to construct along oak street. This results back to your concern, mayor, about station as place, urban design considerations. I think it creates a wonderful opportunity to design their plaza that will work with the station platforms on both sides of the tower. Overall we have an excellent cross-section of property owners and interests. The two highest value buildings in downtown, the three biggest buildings, pac west, u.s. Bancorp tower and the first interstate tower have signed on. We have a key downtown property owner and leading employer, standard insurance, representatives from the pearl district, including al solheim and his partners, michael powell and gerding edlen development company in the north downtown, phil kalberer who is a large property owner, and in the south part of downtown, russell development, the owner of the 200 market building, and Oregon pacific are both signed. Obviously p.s.u., as I reported last week. Our oldest -- one of the oldest property owners in downtown, melvin mark, has signed on with their properties. One of the newest property owners, felton properties, in the process of buying a number of properties, matt felton has signed on with three properties on the mall and one off in the b zone. Also another key property owner just signed up this morning. The schlesinger company signed up with their properties, and that includes the newest building on the mall. So we literally do have an excellent cross-section of people under petition. Lastly, the rouse company has made the business decision that they want to sign the petition. They got hung up on a legal review, but i've been assured that they're fully supportive of this. Their total assessment for their four properties on the mall and on fourth avenue are about \$800,000 worth of assessment. The bottom line is that we have really created kind of a new opportunity for stewardship of the mall. We've got property owners that are fully invested and engaged in discussions about the future of the mall. It really creates tremendous basis for this mall management process that we've been talking to the council about for many months. As we move forward and we'll be back in november specifically with some specific recommendations on how to take this new stewardship approach and convert it into a long-term strategy for the management of the mall.

Katz: All right. Let me ask, we're going to continue through the items, but is there anybody here that wants to specifically testify on this item since there have been amendments?

Moore: We have two people who signed up for 965.

Katz: Hold. We'll get to you. All right. Keep going.

Williams: Ok. The next item has to do with the proposed changes to the parking meter system. That includes parking meter rate increases, both long-term and short-term, up to \$1.25, as well as the increase in parking meter times in the evening from 6:00 p.m. To 7:00 p.m. Again, the revenue that would be generated by these changes would go to back the debt service requirements on \$15 million worth of revenue bonds that would go towards the south corridor project. It would also back the \$500,000 annually that would go toward the mall management and maintenance program. \$300,000 would take the place of the lost revenue that pdot will see because of lost parking along fifth and sixth avenues because of the project, and lastly is the \$300,000 annually for the enhanced streetcar service.

Katz: And you've included commissioner Sten's --

Williams: Yes. Based on commissioner Sten's recommendation, we have an amendment that we'd like to propose that does have a performance standard that -- that we would adhere to in order to maintain and retain that \$300,000 a year for enhanced streetcar service. Tri-met has been working with pdot, as well as the Portland streetcar board, to look at what kind of enhanced service ridership we might see if we did add one additional train to the system. And their projections show that if we could do a four-minute reduction in headways, we'd be looking at somewhere around 18% change. With the additional \$300,000, we're probably more looking at somewhere between two-and three-minute reduction in headways. So the proposed amendment is to show that there would be an increase of ridership of at least 9%. And we'd like to demonstrate that over a 24-month period beginning july 1, 2006. That's basically what the amendment that's been given to you --

Katz: And if there is no increase --

August 11, 2004

Williams: Then it would be up to the council at that time to determine if we wanted to either reduce rates or reduce some aspect of the meter system to offset that \$300,000, or send that \$300,000 to another purpose, ideally transportation services.

Katz: All right. This has been a conversation primarily between two of our councilmembers. What's your feeling about that, randy?

Leonard: That wasn't precisely as I recall what commissioner Sten asked for. What I recall him saying was two things. One was, do you have some analysis you can provide to him showing the ridership would increase. And then secondly, what other -- because I raised with him, if you'll remember, the issue of possibly lowering the parking meter rates if that analysis didn't endorse reducing the ridership -- or reducing the amount of time waiting for a streetcar. He suggested that lowering it, the parking meter rates, just up 2 1/2 cents I think was the number he used.

Williams: Right.

Leonard: Didn't make sense than. He'd rather see what other projects would be funded with that money.

Katz: I think that's accurate.

Leonard: And so i'm not comfortable, that what you're suggesting is what he wanted, because i'm not comfortable with that idea, and I was supportive of what it was he was asking for last week, which was analysis now of why that somehow makes sense to spend the \$300 on improving the service of the streetcar versus using that \$300,000 for the \$6 million-plus backlog in street maintenance items that exist.

Williams: We do have a chart that tri-met has pulled together, that in looking at streetcar services, that would indicate that with this kind of enhanced service and the reduction in headways, we would expect that level of increase in ridership that i'd indicated. 9% for the \$300,000. We can get you a copy of that chart if you'd like that.

Leonard: He asked for that. I didn't. My concern is that, just speaking for myself, I need to have it explained to me on the list of priorities that we have for street maintenance, that the city of Portland is responsible for, how improving service to the Portland streetcar is the number one issue of the first \$300,000 we have to fund over repairing streets that are in disrepair. I mean, that's my issue.

Williams: Uh-huh.

Leonard: Frankly if people are waiting 14 minutes to get a streetcar and we're going to use \$300,000 so they can only have to wait 11, I guess i'm not convinced that that's onerous, given the \$6 million-plus backlog of projects that we throughout the city.

Francesconi: Commissioner Leonard and I haven't had this direct conversation, i've talked to his staff, but I think that this amendment does meet commissioner Sten's objective, which was if we don't increase ridership by that 9%, then the money comes back to the city.

Leonard: You wait till he's not here to agree with him. [laughter]

Francesconi: That was a joke.

Leonard: For the first time ever.

Francesconi: So what we need to do -- I think this does meet the intent. And then the question is, the future council can decide how to spend that \$300,000. And it should be used, in my opinion, for maintenance. I mean, we could put it in here now if you want, but technically it's a decision for the future council. Now that doesn't make you happy, commissioner Leonard. So you've expressed your point. You could offer an amendment or you could vote against this. What -- I mean, you have to choose what you want to do. But I think this does meet commissioner Sten's intent. Plus I think this amendment is the right thing to do. Having said that, the point, when we continue to expand this streetcar, and Fred needs to hear this, but the private property owners who benefit from the streetcar, really need to hear this, you know, we have a series of ongoing conversations with tri-met and property owners over how to pay for the expansion of the streetcar. I've asked commissioner Leonard to join the committee, when we have conversation with tri-met and the property owners about the continued expansion of the streetcar, so I think there's a valid point --

August 11, 2004

Leonard: As long as we can have the meeting at the parkrose business association office, fine with me.

Katz: Shameless. [laughter] commissioner Saltzman, how do you feel about this?

Saltzman: I wasn't here last week, so I need to get a sense of, what is this \$300,000 a year going to do?

Williams: One additional car providing 40 hours of service each week. We currently operate around 120, 118 hours of streetcar service each week. It would enhance the primary peak periods by reducing the headways from 14 minutes, somewhere in the 11 to 12-minute time frame.

Saltzman: So it will actually purchase an additional car?

Williams: We have enough vehicles. As we extend down to riverplace and to gibbs, we will be purchasing three additional vehicles. And that will be enough to provide for this enhanced service during the peak periods.

Saltzman: So this --

Francesconi: The operating costs.

Williams: Yes. To clarify, it would be -- \$300,000 goes toward the operating costs, not towards capital.

Saltzman: The additional labor of --

Williams: That's right.

Katz: Why don't you share with commissioner Saltzman the michael powell testimony about the commitment at the very beginning for property owners, that it was going to be that kind of time frame, and that we weren't able to maintain it.

Williams: Right. As part of the formation of the l.i.d., the local improvement district for the streetcar, there were actually two commitments made. One was that property owners would -- the city would not come back to property owners to ask them to pay for operations of the streetcar, because there was a real concern that we would hit them up for the capital costs, then come back with the operating costs. More specific to what mr. Powell was talking about last week, is that there was a commitment to have 10-minute headway service for the streetcar, so that property owners who were investing in the streetcar would have some understanding of what kind of service they could expect. And because we went ahead and added the extension down into p.s.u. As part of the first phase of the streetcar, we stretched our operating dollars. We didn't come back to ask for additional operating dollars at that point. And it just stretched them such that what gave on the end was the -- was the headway. And we got bumped up to that 14-minute headway when we extended down to p.s.u.

Saltzman: And then this amendment that's before us is in your -- it's a memo dated august 9 from you to us that reflects commissioner Sten's --

Williams: Yes.

Katz: He was trying to get a compromise between commissioner Saltzman and commissioner Sten.

Williams: Commissioner leonard.

Saltzman: Ok, so I understand. What I don't see in that amendment, just being discussed, what happens if they don't meet the 9%? It's not really clear.

Williams: Well, then it's up to the city council at that time to determine what would happen to that \$300,000. If you look at the entire --

Saltzman: Doesn't that in black and white, I guess.

Williams: We can make any changes to this to be more explicit, that's for sure. Actually, if you look at the entire ordinance, we have not committed any future councils to any of these revenue -- or expenditure pieces that we're recommending. And that's because actions today by this council can't commit future councils. All we're asking for out of this ordinance is that you authorize the increases to the rates and the changes to the meter times so that we will have the revenue available that when we do come back to the council during our budget process, we will request these particular services.

Francesconi: Here, I would suggest a friendly amendment here. I'm just going to write this out.

There will be another sentence added to this, that if ridership numbers are not met, the city council will

August 11, 2004

determine how the \$300,000 will be allocated with a preference for transportation maintenance projects. That the my friendly amendment.

Williams: If I had \$300,000 today, it would go towards our maintenance backlog.

Katz: The issue is whether you would reduce the rates.

Francesconi: Instead of that, going toward maintenance backlog.

Katz: Ok, that is it. Do we have a consensus on this?

Leonard: No, we do not.

Katz: Somebody make a motion.

Francesconi: I'll move the august 9 amendment, with my addition, if ridership numbers are not met the city council will determine how the \$300,000 will be spent with a preference going to transportation maintenance backlog.

Katz: Ok. Roll call.

Francesconi: The only other reason to add in addition to kind of this is what we represented to people is that what we're trying to do is create a transportation hub, two. Now we'll have two. Now not only tenth, the intersection between the streetcar at tenth and morrison won't be the only intersection. And we remember from our testimony on the park blocks, how critical that intersection is to development around it. In fact, it was described as the most important intersection in the city, which is different than the current configuration. Now we're creating a transportation hub near p.s.u. With the intersection of light rail and the streetcar. We've got to keep that in mind, that's what we're doing here. And with the increased headways, as people use the -- take light rail to then transition to the streetcar, it becomes part of a transportation device, not just a land use device. And this is really important to the future of our central city. And it's a reason that tri-met will continue to be our good partner on the streetcar. Aye.

Leonard: Well, just to frame my vote properly, I served in the legislature 10 years, and was a leader in trying to pass a gas tax throughout the state to improve the infrastructure of this state's roads. And I did that without apologizing to anyone. I supported legislation that would have increased dramatically the registration fees for automobiles and the licensing fees for automobiles dedicated to improving the infrastructure. I voted for the extension here of the light rail car from -- or excuse me -- the streetcar from p.s.u. To the north macadam district. I support alternate forms of transportation. Having said that, it is precisely this kind of action today that causes voters to lose confidence in the bureaus of the city when we go to them and ask them for funds to help maintain our roads. It is difficult for me to imagine standing in front of a group of people and explaining, after I have explained, that we are \$6 million short to maintain our current infrastructure, why when we find \$300,000 in new revenue, albeit not a lot of money, but still symbolically \$300,000 in new revenue, we choose to improve, not maintain, but improve streetcar service in west Portland over maintaining the existing roads. I think it's -- it's short-sighted for us to use money that we discover, such as this, or raise, such as this, to improve service for the streetcar over not fixing the infrastructure that as I understand, if we don't do a dollar's worth of repair today to a pothole, it can grow exponentially to \$5, \$6, or even \$7 in the future if we take care of it now. I think this is a bad idea and doesn't serve our credibility well as a council. No.

Saltzman: Aye.

Katz: Mayor votes aye. [gavel pounded] the next one -- there are no amendments, and we'll take a vote on that one when we get to it. 968, there's an amendment on 968.

Item 968.

Williams: I believe that's the interagency grant agreement with tri-met.

Katz: Right, uh-huh.

Williams: Just for your benefit, the interagency grant agreement is really the whole reason why we're here, to provide for the \$45.333 million of city funds to support the local match for the first phase of the south corridor project. That includes both the i-205 extension of light rail from gateway to

August 11, 2004

clackamas town center, as well as the light rail extension and the Portland mall revitalization of fifth and sixth avenues.

Katz: And you want to make this an emergency ordinance.

Williams: The amendment is to make this an emergency ordinance. It was requested by tri-met to solidify their application to f.t.a., which needs to be submitted to f.t.a. By august 20. If we can get an emergency ordinance passed we can go ahead and sign this i.g.a., and again it would solidify that application for tri-met to f.t.a.

Katz: Any objections by the council to place an emergency ordinance? If not, so ordered. [gavel pounded] all right, let's take public testimony. 965. Anybody else want to testify on this particular item? Ok.

Item 965 Testimony.

Lynn Connor: [inaudible] thank you, mayor Katz. I'm a homeowner and board member at american plaza condominium association. I'd like to thank you, mayor Katz, for your opening remarks and concern for public process. That's been an issue with us quite frequently. I've just heard a lot of talk about a large cross-section of property owners have been involved to date in the l.i.d. Issue. There are over 300 homeowners in apca and we haven't been contacted. What homeowners were included in this cross-section? The first clue that apca would be included in the l.i.d. Was a newspaper story saying that 3600 condos would be included. Well, it was sort of a guess. 3600 condos, how many are there downtown? That probably includes us. So that's why we're here today. We didn't know until we came in. I have lots of questions, but really haven't had a chance to look at anything, review it. And I guess my concern here is we heard during the opening remarks that this is the beginning of the process and we will have lots of opportunity to testify. However, it reminds me a little bit of 1984. Some pigs are more equal than other pigs. Obviously some property owners are more equal than other property owners. They've been actively involved for quite a while in this l.i.d. Issue. So that's basically my comment, is that we have not been involved and other property owners have been, and it's a little hard at this point even to ask questions because we don't know anything about it. Thank you.

Bill Rollins: I'm bill rollins from american plaza, 2211 southwest first avenue, number 1404. I'm a former member of the board. I do travel quite a bit. And this is the first that i've learned of this. I would like to point out that a letter -- we went to the auditor's office and got some of the stuff. This was dated july 1, 2004, concerning this. And I didn't receive it, nor has anybody mentioned of the 337 people that we live with. Our property probably is a neighborhood of \$100 million, and is an important part of the residential area of downtown Portland. We bear our burden of taxes I think to excess. People in the pearl district have beautiful, new condominiums and pay 90% less in property taxes than we do. That's 9-0 percent less for comparable property. I realize it's only 15 years, but it like standing in line at a grocery store and the person in front of you buys the same thing you do for less because they clipped a coupon and you came because you were a loyal customer. And we're loyal customers of yours. We understand that on the interstate, no home was charged. No owner, residence, was charged to help build that. Certainly it's been a wonderful asset, and i'm sure will change that neighborhood tremendously. I'm sure they are very honored to help. I heard the word "stewardship" mentioned three or four times, but I do think I would like to be involved in the stewardship, not told that I am a steward. We need at least another month to communicate with our people.

Katz: When I raised the issue, I wasn't thinking of another month.

Rollins: You weren't thinking of what?

Katz: I wasn't thinking of another month, because there is -- this is, as commissioner Francesconi says, this really just initiates the local improvement district. But I understand your point.

Rollins: Our people travel this time of year. It's really hard to get them in the vacation months. We'll do our very best. But I do believe if you want this next week, we can fill the room. I'm not sure that's what you want. We want some time to make sure it's the right thing to do. It doesn't sound fair that all of a sudden we start --

August 11, 2004

Francesconi: Let me be clear about this. You have until september. You have plenty of time. See, we didn't have to do any of this. We didn't have to give you notice.

Rollins: Yes, you did have to, because you're an honorable citizen of this city.

Francesconi: Right.

Rollins: Don't give me arguments like that. We need some time and we are entitled to communication. This did not go to anybody in our building, as far as I know.

Francesconi: No. Your point's well taken. What i'm saying is we didn't have to give notice of how we were even thinking about doing this. We could have done a legal petition. Then you have a right to come in and say you shouldn't be included at all. And you're absolutely right. We have to have a full-blown hearing. We have to give notice to every person, which we're going to do. And then we have to have a hearing.

Rollins: The stewardship group did not understand that apparently.

Francesconi: Well, then, you're right, we should have. But point is, we have to notify you and do all this and go through a regular hearing and listen to all this as to whether you should be included at all. There's a good argument that you shouldn't be, and we need to hear from you and everybody --

Rollins: I heard over the loud speaker, I had to have the earphones, because your p.a. System needs some upgrading, I think, that he wanted it done today.

Francesconi: No, no, no.

Rollins: Then I heard it was discussed that maybe it be held up a week.

Connor: There's another issue here. Once a process, months and months have been invested into something, and a bureaucracy starts down a path. It is very, very difficult to get that path changed. And a number of property owners have been extensively involved. And once they're down this path, and you have all these commitments, the chance of nudging off a path, or changing it, is minimal.

Francesconi: One thing we should probably hear, because your point could be valid, so one of the things we need to hear, when you come back up, staff, is how much money are we talking about that would be generated from this, and how difficult are we down a path that can't be changed. I think we need to hear from staff right now on the point you've raised.

Connor: What's not clear on how the assessment would work either. But glancing through it, it's -- it's hard to ask questions about it.

Katz: Ok. Thank you.

Connor: Thank you very much.

Katz: All right. Testimony on 966.

Item 966 Testimony.

Susan Miller: I'm susan miller. I'm president of the pearl district business association. And i'm also here on somewhat short notice. I only heard about the hearing and michael powell's inability to be at this hearing today, just shortly before noon. So i'm -- was caught a little bit short-sighted, however I wanted to be here to speak on behalf of the pearl district business association, and as well on behalf of the pearl district neighborhood association. I had a conversation with patricia gardener shortly before I came to the meeting, and she gave me full authority on behalf of pearl district neighborhood association to speak on their behalf as well because she was unable to attend. And she in fact gave me a copy of a letter that she had sent from pearl district neighborhood association to you, mayor Katz. Basically i'll read the letter quickly. I'm writing on behalf of the pearl district neighborhood association, which at its planning and design committee meeting of july 20 adopted the following resolution. We support the city's proposal to raise the parking fees for our district in order to use the proceeds for transportation improvements. Instead of using all of the added increment flowing from our neighborhood for transit mall improvements, though, we feel that half of these funds should be used for improvements in the pearl district. We are aware of the rapid densification of our district and how pdot allocations from the general fund and other sources are insufficient to meet the established goals to bring us up to central city pedestrian, vehicular, and public transportation standards. The new parking revenues would allow pdot to address the backlog, which is currently rendering our public

August 11, 2004

amenities inferior to the private sector improvements, which are occurring in our district. And pearl district business association was supportive of the parking meter increases, contingent upon the \$300,000 allocation going to the streetcar, because the 170 and so primarily mom and pop type businesses struggling to survive in the pearl district feel that the transportation benefit to them is pretty minimal from the transit mall, but is definitely -- has had maximum impact when you're talking about the streetcar. So all of those business owners feel strongly that that \$300,000 needs to go to the streetcar or, you know, at least a portion of that could be allocated to street improvements in the district. But the district feels that the benefits received in the pearl are minimal compared to those of core downtown. And feel strongly -- so with respect to this amendment, I guess what i'm trying to say is that if -- if we're going to support this amendment, we have to feel as if that 9% isn't reached, then that \$300,000 needs to be in large part directed back to improvements in the neighborhood.

Katz: Thank you. Thank you.

Francesconi: So what about the condominiums coming in in the pearl?

Miller: What about the condominiums?

Francesconi: Yeah.

Miller: Well, I wasn't prepared to speak on that issue, but I believe that the condominiums also most directly benefit from the streetcar. Is that your question?

Francesconi: Well, yeah. And the light rail project.

Miller: Yeah. I mean, we all acknowledge that there is some benefit from the light rail project, and the improvements to the transit mall. I think what we feel, however, is that most of the -- the maximum benefit to the area is the streetcar.

Francesconi: Yeah, thank you.

Miller: And that's how people get to -- to other forms of transit.

Francesconi: Thank you.

Katz: Thank you. Ok. Anybody else want to testify? Nobody wants to roll the clock back on the other issue?

Francesconi: Well, I guess i'd like staff to come forward. I want to talk about this, because there's a legitimate process issue I want to explore here. So how much is it for the condominiums that you're projecting?

Obletz: Did you see me over there scratching my pen real quick? Just a real quick calculation on it, \$250,000 condominium, a market value of \$250,000, in the c zone, which is where the -- I believe all three of the american condominium towers are, would be about \$216 total assessment. And that would be a little bit higher if the condo was in the a zone, but they happen to be in the c zone.

Francesconi: Well, process-wise, is there a way, because this is something we haven't talked about, but there's been more heads-up to the other groups, that's legitimate, than the condo owners. Is there a way to leave the condo owners out of this resolution, but to notice them, and then have the discussion later without any predetermined course? Is that something we can do? Or does that mess up the funding formula?

Williams: It does change the methodology and the rates that we're moving forward with.

Katz: But, brant, they may change anyway.

Williams: Yes, they may.

Katz: I would recommend that somebody reconsider the vote by which the amendment passed so that we -- you need to push back on us -- so that the amendment language is stripped out, assuming the council would support that, and then that be dealt with at the time that we have the public testimony and at the time that you sent out some notice.

Francesconi: See, the mayor and I are saying the same thing.

Williams: Right. The problem with that, is that then we go out to property owners, and we say this is what -- this is what the methodology is going to be for this l.i.d., and it does not include condo -- condos and owner-occupied housing. And so there would be no need for them to weigh in on this, because we're proposing that there will -- there will be no impact to them. So just as what has occurred

August 11, 2004

up to this point today. So if we want them at the table, if we want to hear from them, we need to say that there could potentially be an impact.

Francesconi: Ok. What's the latest on this that we can act? If we don't act today, what's the latest?

Williams: The primary reason we're doing this is to provide the council with some level of security or -- the commitment to tri-met needs to be made for the i.g.a. So there's funding pieces that need to come together to provide you, again, with security, to feel comfortable that we'll meet those commitments that are defined in the i.g.a. So as I mentioned last week, we would like to be here now actually forming the l.i.d., because if we could form the l.i.d., then that minimizes the risk to the city altogether. We would have an l.i.d. Formed, we'd move forward with the project, and do assessments at the end of the project. The way it stands right now is that we're -- we're -- what we're basically doing is just giving the intent that we're going to notify property owners and we're going to to the form the l.i.d. Sometime subsequent to after signing the i.g.a.

Francesconi: Yeah, but i'm confident that we've pieced this together with enough support that we're going to get the money back. I'm confident of that. Isn't it true that we have talked to some categories of property owners more than others?

Williams: Definitely, because the previous proposal that we were going to come to you with, which we did come to you with last week, did not have condos included. But we heard fairly clearly that we should probably do that, and there has been some testimony, and we've heard from some condo owners and developers that condos should be included, because they do receive benefit.

Francesconi: Well, ok, go ahead.

Obletz: I think the key point here is that this is a resolution of intent. There will be a formal process that will be initiated by the auditor of notifying all potential property owners in the district. We're actually providing, not only the 21 days that are required by code, but I think we've added an extra week on top of that process for remonstrances prior to the scheduled hearing on september 29. So there really is about a six-week period in here of formal notification, the opportunity for remonstrance, the opportunity to testify before the council, and the opportunity for the council to decide on september 29 whether the current formula and the current uses that are included in the l.i.d. Should continue to be assessed on a final basis. So I think there is adequate time here for the 3600 property owners that have not been provided with general information to date, to receive that information, and have an opportunity to be heard.

Francesconi: I hear all that, but I also don't hear the urgency to do this if we're secure that the money source is there. And I think we should get the word out to as many of the condominium owners and just do this next week, after they've had a chance to weigh in on this.

Obletz: It's going to be difficult. We're still getting our list of 3600 property owners together. It probably will be at least another week before that list is in a position where we can mail to those property owners. So i'm not sure the council's going to gain anything by waiting a week. The notifications are scheduled to go out within two weeks. And those would be the formal notifications that the auditor's required to send under the title 17.08 of the code.

Francesconi: I guess i'd like to hear from other councilmembers.

Katz: I'm thinking of another solution. In your assessment method language that we adopted, you are making assumptions that these assessments will stay the same. The suggestion is that you at least add the words "proposed" so that people think that -- rightfully so -- opportunities for change.

Obletz: Yes. The way the notifications are set up, they're put in that form. This is not the final notification. That process would actually occur several years down the road. This will be phrased as a proposed assessment.

Katz: Ok.

Leonard: If we change nothing today, will there be another action by the council at some point in the future?

Obletz: That's correct. September 29 is the tentative date for that.

Leonard: So if we chose to as a council we could amend out the property owners?

August 11, 2004

Obletz: That's correct.

Leonard: There's no practical reason to remove them today. They'll have an opportunity to come in and do what they've asked to do?

Obletz: Yes.

Leonard: After the vacations are over and all that. That doesn't really change their ability to influence what we do.

Obletz: That's correct.

Williams: Also, the september 29 date is not set in stone. If the council has some preference of providing additional time, over and above the 21 or 28 days, we could push that back a week or two.

Katz: We probably will go into second reading, and maybe a third reading, depending on the council and the testimony. All right. So 965 is a resolution. And i'm going to ask for a roll call.

Item 965 Vote.

Francesconi: Well, again, to me the main resolution is 968, which we have to improve the interagency agreement, but what we're really doing here is reversing a longstanding policy by bringing the condo owners in. I'm not sure that we've had an adequate discussion on that with the condo owners. So this is a shift in gears here, but I think it's better to give them a little opportunity to weigh in a little bit.

Even though I have to tell you that I think bringing the condo owners in is the right thing to do, but i'm very conscious about the process question. So i'm going to vote no on this only because i'd like to do it in a couple weeks. I don't want to do it right now.

Leonard: What i'm hearing is that there is opportunity for the condo associations in general and condo owners in particular to come in and make their case, why they shouldn't be part of the l.i.d. I do believe that those that benefit directly, and I would think that condo owners would, absent some other argument that I haven't thought of, should help pay for a project that they're going to benefit from. But if I didn't think that there was the opportunity for them to rebut that or bring some evidence that that wasn't the case, I probably wouldn't support this either, but i'm hearing is there will be the opportunity for us to hear that. I'm open to that. Aye.

Saltzman: Well, I think this is -- it would be far worse for us to exclude the condominium owners at this point and then have you go out and present that to the world as being the case, and then have us later subsequently decide to include them. So I think from a notice point of view and a process point of view this makes the most sense to do it this way. Aye.

Katz: Mayor votes aye. [gavel pounded] all right, item 966.

Item 966 Vote.

Katz: I'm assuming that commissioner Sten is ok with this amendment, because I would hate to pass it -- to take a vote on it --

Linly Rees, Deputy City Attorney: Mayor --

Katz: I know, you're going to tell me something, that I can't do it because I have a no vote. All right, this passes to second.

Leonard: Did you want an emergency clause on this?

Katz: It's not necessary, but --

Leonard: It's not necessary? Ok. Because I voted no on the amendment.

Katz: Usually if it's necessary, really necessary, we ask the commissioners to be flexible. It's not necessary.

Francesconi: He might be willing to vote for the --

Saltzman: 968, the emergency.

Katz: I know, but we can move this one out.

Leonard: I actually intend to vote for the overall ordinance, having had the opportunity to vote no on the amendment.

Katz: So you'd be willing to vote aye if we put the emergency ordinance on it. All right, any objections to putting an emergency on this? Hearing no objections, so ordered. [gavel pounded] let's take the vote on 996.

August 11, 2004

Francesconi: Well, I appreciate everybody willing to support at least this portion of it. And I appreciate the work that we did in outreach to the small business community, who is willing to increase the restaurants downtown and our other businesses by just one hour to make this work, with the idea that we're not doing this on sundays. So this is good. And this helps us fund a portion that we have to fund to do the federal match. I just want address a legitimate concern of commissioner Leonard on the amendment issue. That's reason I and others spent a lot of time at the legislature, to get \$5 million this past session from the bridge money of which we put 90% of that, if not more, into maintaining the infrastructure, and none of it into the streetcar. The difference here is this was raised from the local property owners with the commitment to them to help improve. So it is true that my number one priority, as transportation commissioner, has been to actually maintain the system and fix the potholes, but I also understand that we have an obligation to continue the livability agenda and the economic health of the central city, of which transportation infrastructure, including the streetcars, is essential to that. So just as we are prioritizing, 95% of the new funds on maintenance, we have to understand the history that built this community, which is our land use and transportation infrastructure. Aye.

Leonard: I made the remarks that I intend -- intended to make on the amendment with respect to the streetcar and I don't intend to speak to that here. There aren't many politicians, I suspect, in Oregon that would ask their colleagues for the opportunity to vote on a parking meter increase. I have, because i, again, going back to my days in the legislature have consistently supported light rail projects in the region, because I believe even as beneficial as they are today, as an impending crisis finally awakens, particularly americans to the shortage of oil in the world, and we begin paying what ought to be the actual true cost for oil, people will not be able to afford to drive, period. And we will absolutely be dependent on our transit system. In many ways I view what we're doing today is planning for the if you. It helps us today. A good tool today. It will become a vital part of our community in the future, without which the community possibly could cease to function in my opinion. So I think this is an important project to occur. It is going to create a hub in the downtown area that will allow the core area to grow, notwithstanding what may happen to the price of a barrel of oil on the world market. So i'm pleased to be able to support this resolution, notwithstanding my reservations on the streetcar. Aye.

Saltzman: Well, this project is vitally important to the city of Portland. It really adds some tremendous new bones to our light rail system, which are much-needed to really bring it into a system that really will serve all the residents of Portland. So it's important for that matter. It's also a major facelift for the mall that's long overdue, and, you know, for that i'm willing to sacrifice perhaps one of the last cheap thrills in Portland -- finding a parking meter at 6:00 p.m. Downtown. Still a cheap thrill. Just going to cost \$1.25 to get that meter till 6:00. This is well worth the investment.

Katz: Mayor votes aye. [gavel pounded] we adopted the amendment.

Rees: Right.

Katz: We adopted an emergency.

Rees: Right, but don't have language for an emergency clause. I would ask for a nod from staff whether the emergency language in 968 would also be amended for 966.

Katz: We'll take care of this. We've done this all the time.

Rees: I've been gone three months.

Katz: Language for the emergency ordinance. Whew. There was no amendments on 967 and it's second reading. Let's take a roll call on 967.

Item 967 Vote.

Francesconi: A few brief remarks on 967 and 968 right now. By us authorizing the revenue bonds, that allows us to do the interagency agreement. This is the most exciting project in downtown in 25 years. It's even more exciting because it links us out to i-205 to clackamas. So it's also providing needed infrastructure to outer southeast Portland and clackamas county. It took an enormous effort to get here, on a lot of people's part, but started with a whole stewardship and values that we have here in

August 11, 2004

our city that have made us different from other regions across the country. By doing this, we're continuing the legacy of those that have gone before us, but doing our part to create a city for 20 years from now. It will have economic impacts that will benefit our central city. We can maintain, rehabilitate the mall, and it connects to p.s.u. This is a very, very good project. It's just been a thrill for me personally to be a small part of this. My job was to help make the money to find this happen. We have great people here again to thanks. I could again thank fred hansen and tri-met and all the tri-met staff, but the group -- and I want to thank the citizens advisory commission. I want to specifically point them out, because there was a lot of conflicts that we had to resolve. And now we haven't resolved conflict, we've made this a great place. I want to thank the planning bureau, joe and gill for helping us break through on this. I want to especially acknowledge doug obletz for the work that he's done with the property owners, and more that we're going to be talking to, to make this thing happen, and to kind of be the sheperd on this. You kept your ego out of this, which is terrific, and allowed others to participate, but we had a leader of the effort. The main thing I want to say is, you know, there was a concern when vic rhodes retired about the direction of pdot, where it would fit in the regional structure, the leadership, etc. This is the day and this is the project that brant williams takes over control of pdot. I mean, he's been there for a while, but he has a different style than vic. But he's been behind-the-scenes, he's been working with p.d.c., working with tri-met, working with our regional partners to -- you know, again, his ego's never gotten in the way of this, but this is the day that brant williams, you know, emerges as the leader that he deserves to be recognized as at the Portland office of transportation. Under his leadership we've also done a strategic plan. We've done a whole diversity initiative to make sure that these infrastructure benefits, the employees of the bureau, and they feel more empowered, with fred and bruce's help, we'll make sure this project employs people of color, not only in the work force, but in the ownership of businesses that are producing from this. In fact, we're having a report on this tomorrow. I'd like to thank steve for the role he played in this project, but it was under the leadership of brant williams. So vic, you're doing good work on the tram, but, brant, I want to thank you for all the work you're doing, the leadership you're providing to our agency.

*****: Thank you.

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

Katz: 30 years ago we build the first leg, and we were very proud of that. But those who knew better said this isn't a system, this is one leg, and the goal was to really build a system. We extended it out to the west side, and looked at what else we can do. I need to thank fred hansen for sure. George pasador and some others, dick wrighton, who sat with us and began thinking about how do we build the second leg, and how do we do it without going to the voters and asking them for additional tax dollars. Sure, we went to the federal government, and I guess that's tax dollars, but specifically to the voters of this community. We got accused of circumventing, but with the help of all the partners that commissioner Francesconi identified, we moved ahead, knocked on the door of clark county and made a decision to continue the system. What we're voting today is the continuation of the system. It will go beyond the downtown, Portland state university, it will go across the river, and with the light rail to the airport and the streetcar still needs resources and planning and design to take that across the river into neighborhoods, we truly are building a system. We're not finished. As I said, i'm going to continue to chair the little committee. And have ordered p.d.c., to sit with us, and the team, to really think about development opportunities on key sites, especially on the sites around the urban ruins. Thank you, everybody. [gavel pounding] all right, i'm going to ask -- did I ask for an emergency ordinance on 968? I don't think I did.

Saltzman: I think you did.

Katz: Did i? Without language for the emergency. Roll call on 968.

Item 968 Vote.

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

Katz: Mayor votes aye. We stand adjourned until tomorrow, 2:00.

August 11, 2004

At 3:04 p.m., Council recessed.

August 12, 2004
Closed Caption File of Portland City Council Meeting

This file was produced through the closed captioning process for the televised City Council broadcast.
Key: ***** means unidentified speaker.

AUGUST 12, 2004 2:00 PM

Item 969.

[Roll call]

Francesconi: Thanks, everybody. We have sam imperati and steve iwata here. If I could briefly introduce this, this has been transportation week, maybe transportation month. Part of that is transportation infrastructure not only defines who we are, but it helps create jobs. But what we want is to also have our own citizens and all of our own citizens benefit from those jobs, including the immediate construction jobs that are being created. So what we have today is a work force report on the south corridor and i-5 delta park lombard projects. So i'd like to thank the work group members here, and their willingness to once again consider this issue, which has been a tough issue, and it's been addressed by many people in the past, and we still don't have it quite right, but we're making progress. So the city and tri-met have made some wonderful successes through the interstate light rail project that was -- the responsibility primarily of tri-met, but also the private -- stacey when it beck, and the south quarter work is a natural progression that looks at what we've achieved and figures out how to move it forward. So i'd also like to thank not only fred hansen, but also bruce warner, and actually the governor, for that matter, who has said that transportation infrastructure projects statewide, he wants -- they want to make sure that odot, beginning with the i-5-delta park lombard improvements, also reflect a broader work force, and that the benefits go to all of our citizens, including women and minority-owned workers and businesses. So it's not easy to bring a lot of divergent interests together, except that everybody agrees on the common fundamental values of equal access and fairness, and i'm talking about all the participants, providing opportunities for all members of the community, and then there's -- we all care about our work force, which frankly over time there's -- we need to replenish the work force, whether we're talking about apprenticeship jobs, union jobs, nonunion jobs, there's turnover, and we need to -- we have an opportunity to really diversify the work force. So what we have here in front of us today is a report to talk about the progress so far, because we're at a critical point to decide about how we go forward. I'd also like to thank a.g.c., who has been for a long time has brought employers, contractors to the table to tackle this issue, and i'd like to thank ohsu that's kind of recently stepped into this in a way that adds some value to this. Now, having said that, the processes are not exactly aligned here, and we have -- so there's some confusion about how we bring these processes together. And we're not going to do it here today. I just wanted to alert the council. So we have some different efforts that by the next time we report to you, they will be aligned, and in the meantime, we might need some help from commissioner leonard with his relationships, I know commissioner Saltzman, you care a lot about this issue, as does the mayor and commissioner Sten. So we're working on how we bring this together. But we've -- I also would like to thank, i'll do it right now, steve iwata In addition to helping with the planning and the long-range plan, steve's quiet about this, but he also cares about equity and social justice, and he's really passionate about this. He's not italian, so you don't see it all the time, but it's there, and it's deep, and he's always behind the scenes. And i'd like to thank sam, who is italian, and you do know he cares about these things, and he always has been very helpful shepherding divergent interests together. Steve, go ahead.

Steve Iwata, Portland Office of Transportation : Hello, my name is steve with the Portland office of transportation. Today the request is for the city council to accept the report from the south corridor delta park lombard work force discussion group. The history of this report starts back in 1999, where city council, when it first adopted the interstate max project, asked that tri-met look at a diversified

August 12, 2004

work force as part of an overall revitalization strategy for north-northeast Portland, and the end result of that effort was very successful by tri-met and working with the city to have a very diverse work force for interstate max. So at the start of this process, commissioner Francesconi would direct bruce warner from odot and general manager fred hanson appointed members to the discussion work group to see what we could do better as part of the south corridor process, looking at ways to -- working with the community on southeast Portland, as well as follow-up with interstate corridor with odot to lombard project to further provide more diverse work force in that corridor as well. The committee completed its work in april, and I think I should also acknowledge the other staff who is very active in this process. Bruce watts from tri-met was very active, kate dean from odot and christina jermaine from the commissioner's office, along with loretta young from the bureau of purchasing. That's -- they serve as a core group of staff people working with the committee to put this report together. I'll turn it over to sam, who is also part of the core technical team working on this. Sam was the facilitator to this process and was -- went over and beyond our scope of work in order to put this document together and bring the consensus and bring this group together. So it's -- i'll have sam go over the report now.

*****: [speaking italian]

Francesconi: Approved. [gavel pounded] [laughter]

Sam Imperati: Good afternoon. As steve indicated, the city of Portland, tri-met and odot sponsored this work force discussion group, and their mission really is presented in the two bullets that appear in this power point presentation, which I will say parenthetically steve also is an expert in power point and helped me with this particular presentation. The mission is really pretty straightforward. To identify public and private partnerships within the Portland metropolitan area, to promote the jobs that will be created by the upcoming transportation projects. Second, to foster the development of career opportunities for women, minorities, and low-income work force that reflects the great diversity of people we have within the city. And the community at large. This is the group's consensus report. The context as you have spoken to really started initially with the i-5 south corridor light rail project being sponsored by tri-met. And the city's portion of that, the transit mall revitalization projects, it is also going to include other future large-scale projects, like the odot highway and bridge projects. We also have the delta park-lombard project previously mentioned. The focus of this particular effort is on work force diversity. It is not on contracting with the m/w/esb communities. The underlying thought process is a diversified work force leads to apprentices, which leads to journey workers, which leads to individual and community success. So it is a natural progression. This initiative is vital to our region's long-term economic viability. The brought-based membership, many of the members are here today, I think is very, very important to read through the list, because this particular issue requires a broad-based consensus. We had representatives from the Oregon trades woman, a group a.g.b., the evening trades apprenticeship program, associated general contractors, the hispanic metropolitan chamber of commerce, the department of transportation, the electrical workers, a consultant, members of commissioner Francesconi's office, Portland office of transportation, Portland development commission, r.j. & company, property maintenance, odot's office of civil rights, the columbia-pacific building trades, the associated builders and contractors, boli apprenticeship and training program, tri-met operating engineers local 701, and the bureau of purchases to get the beginnings of a broad-based membership and consensus. Let's talk about some of the data that drives this particular issue. And I will preface this by saying that while the data is very, very important, and we will be doing a fair amount of work around that, what also is important is to analyze what's behind or below the data. The causative effects that lead to the situation we found ourselves in. This very simplistic chart speaks volumes about the current nature and extent of the problem. This is the Portland vancouver area work force from the most recent census data. In a nutshell, it shows 45.12% of the work force is female. However, only 4.5% of the construction industry is female in the Portland metropolitan area. Similarly, people of color represent 21.58% of our work force, yet 11.97% of the people of color in the construction industry. We also looked at the changing demographics of the work force, and we compare the 1990 census with the 2000 census. In 1990, 10% of the work force were people of color

August 12, 2004

and 46% female. As a result of the 2000 census figure, we now have a fairly meaningful leap in the people of color work force from 10% to 21.58%. The female portion as maintained -- has maintain add relative constant number, in the 45, 46 range. We also then looked at the apprenticeship program. And here we have women comprising 5.2% of the apprenticeship program in the Portland metropolitan area, with minorities 15.15%. We still have, while this is the front end of the process, one of the front ends of the process, doesn't it still speaks to the gap here we have between 4.5% female and -- versus the work force as a whole, and the 11.97% versus the 21.5% of the work force for people of color. So the numbers speak for themselves and speak volumes about the nature and extent of this particular challenge that we all face. The good news in part is that the state of Oregon projects construction trade job option on a statewide basis. So numbers I gave you previously were Portland and tri-county area. The numbers i'm presenting now are on a statewide basis. Projected growth from the new projects that are on the horizon show an increase of 5,457 new jobs created by growth in the industry. It also shows 9,165 -- 9,162 replacements. As the work force ages and the construction trade, we have a total of 14,602 jobs projected to exist in the year 2012. So we have a real opportunity here as you'll see in a minute. A three -- three observations that I think speak to the overall view of what this work group arrived at. Number 1, diversifying the work force is essential for our community, our economy, and our future. Inclusivity is a matter of fundamental fairness. However, three subpoints. Many obstacles remain. Some of which have been identified. B, feel-good goals that are not realistic and durable, are simply not acceptable. They won't work. We want to look at this problem with intellectual rigor and vigor and commit our collective energies to solving the problem once and for all. We need a long-term systemic systematic approach to the whole problem. Second major point, the stars are aligning nicely with similar efforts from various sponsors and the fact, as I indicated a few minutes ago, the baby boomers are retiring, and the demographics are changing. There will be more people of color in the tri-county area that need living wage jobs. We also have 20 years of very large, meaningful construction projects on the horizon. We have the projects -- p.d.c., we have projects with tri-met, we have projects with the city of Portland, and we have the projects with odot. Now is the time to effectuate real progress. The solution that's we come up with now are solutions that can and should be designed for replication on future projects, so we're not always reinventing the wheel surrounding this problem. Third major point is that we need to learn from our history. There is a history here that's unavoidable. And the differences that create this -- make this effort what it is and speak volumes to its potential success is that the stars are aligning as indicated, and we have learned from our history. We need sufficient resources to effectuate any plan. That plan needs to be broad and inclusive support for one coconvened, collaboratively developed comprehensive plan. That sounds like a lot of adjectives to attach onto the word "plan," but each of those words is very important and indispensable to really finally getting a solution. We also need a system of accountability. Often times we plan, we have good intentions, and we don't always succeed. Any plan that we design and will design will have a system of accountability so that progress can be charted and the taxpayers' dollars can be shown to deliver what's promised. The goals need to be based on solid data with coordinated strategies. We need inclusion and use of existing minority and women communities groups, public agencies cannot do this alone. We need, we require, and we will get the private-public partnership necessary for success. There are three summary recommendations. First, conduct a gap analysis. We will and have already started working with the population research center at Portland state university in conjunction with odot's work surrounding their bridge program to objectively analyze the selective -- collective employment needs and available resources. We have some projections from the state of Oregon that look out to the year 2012, however, we have all kinds of projects going online, and as the preliminary engineering and final engineering comes in, we'll have a very, very solid idea of how many person hours we need in each of the integral construction trades. Where is the gap and -- gap and how can we go about scientifically and fairly filling those gaps. We have put together as you'll see in our second recommendation, some aspirational goals. However, those goals need to be reassessed once we get the data. Especially for those periods of time which will start happening three or four years out when there

August 12, 2004

is more than one project under construction. So you have multiple projects, each had the same goals, we need to look at the interrelationship and the dynamics of those goals, given the existing work force, the work force that we can cultivate, and the projected needs for each of those trades. We need to establish realistic goals that are designed to avoid competition for both the human and financial resource that's help drive a successful effort. The second recommendation is to implement streamlined and coordinated. I really emphasize streamlined and coordinated strategies to achieve these aspirational goals. These goals as presented are project specific to the transit mall revitalization, to the south corridor, tri-met, light rail projects, and to the delta park lombard interchange, and that would be 12.5% women and 25% minorities. Third and final recommendation is additional recommendations. First is to fund and support the consortium's coordinated, focused, inclusive private-public collaborative efforts based upon size and ability to pay contribution levels from the various constituency groups. Each of those adjectives is an integral part of our success. Second, implement the suggested interim strategies in the report, and finally, work with and report to you and the public. In conclusion, the south corridor and delta park lombard work force discussion group appreciates the opportunity you have forwarded it and request that council accept its report. That concludes my presentation. We do have representatives from both odot and tri-met that would like to come forward and say a few words, and I suspect there are members of the work group and public that would also like to comment.

Saltzman: Thank you very much. Odot and tri-met. If you could introduce yourselves before you speak, that would be great.

Bruce Watts, TriMet: Bruce watts, a senior director of the division that handles diversity and transit equity for tri-met. Fred hanson was not able to be here today due to other pressing matters, but he did ask me to read this letter to you. Dear mayor Katz and city council members. I am writing in support of the south corridor delta park lombard work force discussion group final report. I understand the mission of the group was to identify public and private partnerships within the Portland metropolitan area to promote job creation by public -- on public works projects. The group is also meant to foster the development of career opportunities of women, minorities and low-income work force that reflects the diversity of the people within the community. It is important that we work collaboratively and partner with community groups, unions, and the private sector to address problems in the construction work force. I request the council accept the south corridor and delta park lombard work force discussion group final report. Sincerely, fred hansen, general manager, tri-met.

Saltzman: Thank you.

Kate Dean: My name is kate dean, I work for the Oregon department of transportation, and I passed out a letter for you from our director, bruce warner, who wasn't able to be here as well. Odot is here in support of the report and urges you to also accept it. We do feel that it's very important that we begin working together to implement this report. There are unprecedented opportunities throughout the state with the new o.t.f. Funding package we have, projects throughout the state both on the highway and bridge side of the ledger, and they're really bringing opportunities for all Oregonians and to the extent that we are able to really improve participation by women and minorities in the work force, those opportunities can be increased for those segments of the population. In terms of the implementation of the recommendations, I think what's important for us as a state agency is that as we go forward, moving forward for implementation that we do have a very focused effort, that it is broad-based, that it's collaborative, and that it's focused so that with can, as much as possible, combine our resource and begin to do some really innovative collaborative things that we're really not able to do with the many disparate efforts and working on our own. I think we believe that we can be stronger working together both as jurisdictions and with the private sector and community-based groups can we can be working on our own. So again, we would like to recommend that you support this report. We'd also like to thank the many people that gave their time, a lot of time was put into this report by many members of the community, and the private sector, and director warner wants us to acknowledge their contribution and thank them. Thank you.

August 12, 2004

Saltzman: Thank you. Now we'll open it up to public testimony. We have people signed up.

Moore: Three people.

Saltzman: You'll each have three minutes.

Saltzman: Just introduce yourself and the three-minute timer is in the bottom portion of the terminal there. Whoever wants to start, please do.

Suzanne Scheans, Oregon Tradeswomen: I'll go ahead and start. Good afternoon, commissioners. My name is Suzanne, I'm here representing Oregon trades women. I serve on the board of directors of Oregon trades women, and I also am a journey level steam fitter with the plumbers and pipe fitters union. I want to first point out that the work force diversity group for the south corridor that's worked exceptionally hard on this project, and very much deserves our praise. And thank you to the group members. Oregon trades women urges adoption of all of the recommendations of the discussion group, especially the common sense recommendation to support existing programs. And to identify strategies to retain women and minorities working in the construction trades. We support rewarding contractors who have success in establishing and maintaining a diverse work force, and we urge the city to require that all contractors be registered trading agents. Oregon trades women inc. Supports forming of the work force consortium and will be very happy to be an active participant. And thank you for the opportunity to speak this afternoon.

Saltzman: Thank you.

Imperati: This was much like -- [inaudible] [laughter]

Andre Baugh, Group AGB, LLC: My name is Andre, I'm with group a.g.b., but I'm also the diversity manager for the Oregon bridge delivery partners, which is tasked with rebuilding 365 bridges across the state in the next eight years. And so we have a vital interest and we're actually part of ODOT and working closely with ODOT on this also. I want to urge you to adopt this report and move quickly to taking up the recommendations and working with the other agencies. But I also want to point out a couple of key things. This is going to work because of the people that are involved. This is -- we talked about the public-private partnership, but when you really look at the list, it can't be only public, it can't be only private, it has to include labor, it has to include contractors, it has to include the private sector. And it has to include the people that we're talking about, and those are the communities and the women organizations. So everybody has to be at the table, and be partners in this process. And that's a tough thing to do, but I think this group is up to the task, and has shown the ability to do it. The second thing is, I think long-term is what we're talking about here, is providing solutions long term for the economic viability of not only Portland, but Oregon. This is the future work force diversity, when you look at the number in 10 years, 75% of the work force, 18 and older at 18 will be minorities and women. That's just a statistic, and so we need to prepare and have jobs available and have a record of employing and have those skills so that we can prepare the fifth graders today that construction and a viable career, and they can look and see their mothers and fathers in that career field. So when they come out, we can provide them jobs and it's not a hard task to say, go into the construction area. And lastly, I want to thank Jim Francesconi for leading this effort. You started a long time ago on this one, it was not on a lot of people's radar screen, and a lot of people came along kicking and screaming into this, but I think everybody has seen the benefits of this, and I want to appreciate what you've done, but also the rest of council. I know a lot of people have supported that. And I want to appreciate all the people that have been in the south corridor, because it's been a tough task, and Sam has done a great job. Thank you.

Saltzman: Thank you.

Cindy Catto, Associated General Contractors: Commissioners, I'm Cindy, public affairs director for the associated general contractors. And I also sat on the committee and it was a long and arduous process worthwhile, I think. I do need to say that it was a -- that the report before you today is a consensus document, but it is consensus, not without concern. And so I'd like to just register a few comments from my contractor constituents. First of all, let's start with the things that are easy to agree on the commercial work force does haven't enough money and minorities. We all know that. It is a

August 12, 2004

fact. And we're working as an industry very hard to make changes in that. But we need help. Secondly, we agree that what has happened over the last 30 years has been time intensive and expensive, and we haven't got a good r.o.i. We still only have a little over 4% women and a little over -- right around 12% minorities. So what we've done for the last 30 years hasn't worked. We need something different, and we need change. So we all agree on that. My contractors, u.s. Policymakers, the members of the committee. There are areas, however, that we have concerns. Maybe they don't go as far as disagreement, but concerns with the recommendations that are in the report. First of all, gathering objective data is absolutely critical, and that's an important thing for approval today and endorsement to move forward. But it isn't just the numbers that tell the whole story. We will lose a unique opportunity in time in gathering this data if we don't look behind the numbers and find out what caused the numbers to be the way they are. It isn't just discrimination that drives people of color or women out of the industry. There are a lot of other things going on. Some of which are social problems, some of which are other issues, and we need to understand that before we jump to solutions. The creation of the work force consortium may be the right solution to implementing other phases of this. It also may not be the right solution. So I would recommend that you not table the report, but that before you move to endorsing the creation and funding and all of that of a work force consortium, that we have the time to look at the numbers and what the numbers tell us, because there may be other solutions that emerge once we've got that good data. And finally, we need to be very careful about setting aspirational goals based upon one very successful project. That was done in a time when we had very high unemployment. We're going into a very different work force market, and so we need to be careful about those aspirational goals so they don't set us up for failure.

Saltzman: Thank you very much. Does anybody else wish to testify? Any questions of council of anybody?

Francesconi: Since we have a minute before we vote, mr. President, I guess is there 30 -- is there any discussion or advice or questions or issues that the other commission -- that you two have right here, before we just do it in a roll call, but is there any issues you'd like to raise with the people? It would be good to kind of -- not turn this into a work session, but since we have a minute, it might be good to give some advice or feedback to what we've heard.

Leonard: This is an area of great interest to me, and -- but as in most things in life -- excuse me -- we have to approach this issue with balance. We want to make sure that we give opportunities to those that have been denied opportunities in the past without losing sight of creating inequities of compensation. I have said time and again that I support -- I actually support preferences for minority and emerging businesses and women-owned businesses, but not at the expense of the workers. I mean, if that comes part and parcel with suggesting that we're going to hire companies that pay substandard wages to their workers, I am more concerned about those that are working than who owns the business. That's just where I come from. It's part of who I am. So I am not going to be persuaded that by simply hiring a minority-owned firm we've accomplish add goal if the minority workers who work for that firm were paid \$9 an hour. Not good enough for me. I appreciate these efforts, but it has to be done with the balance in mind of making sure that the workers are protected.

Francesconi: I think on this issue these are prevailing wage jobs on the construction side, so I don't think it's going to be much of an issue. If i'm wrong, somebody should come up here and tell me i'm wrong. But I don't think in this case --

Leonard: I think that's right. Though we've had this discussion related to projects that aren't always prevailing wage.

Francesconi: Right. But there is some concern about making sure that we enforce requirements, and in the past we hadn't been doing that. Necessarily. But that's not going to be a problem in this case. So that's something. But this is the kind of thing that's good too get out here, so that we can clarify and commission Saltzman --

Saltzman: I think this is a really welcome effort, and I appreciate commissioner Francesconi and trimet and odot in taking leadership and assembling this diverse group. And sam for facilitating that

August 12, 2004

effort. I think you've come up with some good recommendations. I guess -- I think we can -- we are at a strategic point here, population dynamics and everything changing sets that are there are going to be some real opportunities to expand the work force pie and maybe avoid some of the conflicts that have existed in the past. Over who gets what jobs and what preferences you may employ or not employ for a specific population. It sounds to me there's going to be enough jobs here that we'll be scrambling to find good people, period. I guess the one thing I just -- that struck me in looking through the membership of the committee is, I didn't see anybody listed from Portland community college, and it seems to me they are the premier work force training group here in town, and I hope that they will be involved in future discussions, because they can provide a lot of the meat that you need to move forward here. So I would urge you to add p.c.c. in future discussions of the discussion group. Otherwise, good work.

Francesconi: That's a terrific point. So we're going to I guess we could have -- we're going to -- I would advise we accept this report and then we have future work to do. One area in addition to making sure the community colleges are at the heart of it, which is terrific, commissioner Saltzman, we're going to also need some help, you know, p.d.c. has a separate kind of process going on, and so how we align this so that we have one city process is something we need to do. And p.d.c. participating in this. And I appreciate chip being part of this. But -- and their point is we've got to get moving on some things and do some things, because there's immediate construction, and there's been a lot of progress made. So i'm not saying this as a disparaging remark, but we've got to have one kind of unified city process here, because what the concern is, is there will be p.d.c. Construction projects on south waterfront, and we'll have projects, and we're going to all have the same goals, and where are we -- so how this fits into a system is what we have to do. The other part in addition to community colleges is the schools and how we engage the schools. Vicky phillips, who's coming in, wants to redesign the high schools, she knows she has to. They're broken. And how we tie in high school reform efforts and -- into this effort is something else that needs to happen. The other thing, a i've told the consortium directly myself, I think we need more private sector involvement in this than we do currently. Because we need the contractors, because then we can actually drive this in the private sector projects, not just the public sector projects, and we can really have a much bigger impact, you know, if we do that. So the next steps I think are, you know, what is this consortium exactly, and -- I think it needs some definition. And i've asked christina, who I should have recognized earlier, for the terrific work, but I also think that change sometimes does happen from the top requiring it to happen. And I want to get bruce, fred, and I more engaged in this process. Kind of have a discussion about next steps. And that's what we're going to do. They've been very, very supportive, and you've done terrific work staff. I think now we need to take it and do some work to figure out next steps. With your help in your participation and how we do that. So that's -- anyway.

Saltzman: Please call the roll and we'll accept the report.

Francesconi: This is terrific work. I guess I just thanked everybody that's worked on this. We have -- you have a history of collect -- a collective history far beyond anything I have about what it's going to take to make this thing happen, and there's a common desire to do this, a common economic need to do this, but we all know it's the right thing to do. And this time we've had efforts that have kind of been somewhere then kind of gone away. This time the urgency to do this is not going to go away. So we may have some fits and starts in terms of what's exact structure, but this time we're keeping it front and center on -- that this is one of the most important issues in the community. Aye.

Leonard: Notwithstanding what I said a moment ago, I recognize it's a huge challenge, the unions, getting them to create apprenticeship programs that reach out into the community, and having had some experience with a union and attempting to diversify it, I understand how very, very difficult that is, because we are talking about a culture. And it's going to require a commitment by us as well to try to figure out that. It isn't just about the minority contractors and emerging businesses paying well, it's about the unions providing the opportunities for people to be trained. And I -- I understand that. And I have been working with the trades to try to come up with strategies that allows that to happen better

August 12, 2004

and creates more outreach and more aggressiveness on their part to attract more women and minorities into those provisions. So I too very much appreciate this work and we'll work very hard to make sure that all of the various strategies that are required to accomplish what we're doing here in the future happen. Aye.

Saltzman: Good work to all of the many talented people in this audience, and -- for giving us a really solid report and seizing on some very important opportunities that present themselves to us. Good work. Aye. So we have a 3:00 time certain. It's now about 2:45. So we will stand in recess until 3:00.

At 2:47 p.m., Council recessed.

At 3:00 p.m., Council reconvened.

Item 970.

Saltzman: This is a continuation of a hearing from last week, and i'm going to let andrew and matt bring us up to speed here.

Andrew Aebi, Local Improvement District Administrator: Thank you. Good afternoon, commissioners. Andrew aebi, local improvement district administrator. At last week's council hearing council invited additional written testimony regarding the economic analyses by eric hovey in the proposed southern zone b, c, boundary change under consideration. The deadline for submission was at 5:00 p.m. on monday, august 9. We received two submissions, one on behalf of the r-z realty and another on behalf of swinerton investments. I wanted to summarize the proposed boundary change and the remaining steps for council for you today. After which time I suggest we have property owner testimony and then matt will have some comments to make later on. Based on direction from council last week, I have prepared a substitute ordinance for your consideration. Those package of changes is before you today. The substitute ordinance would bifurcate zone b and modify zone c basically what we're -- what we would be doing here is splitting the b zone into a b north and a b south, and then redrawing zone c to take the la grande property out of southern zone c and move it into zone c and also to move the z.d. Property from zone b to zone c. There would be no changes to exhibit a, exhibit c, exhibit d, or exhibit f as substituted last week. However, we would be changing exhibit e to replace the assessment work sheets and would also be changing exhibit b to replace it with a new map reflecting the zone boundary changes. Just to kind of walk you through what the financial impacts are here, there would be no change in assessment because we're looking at changing the project allocation between the various zones. There would be no change in the northern zone b or in the zone c. Those assessments would stay the same, including those for swinerton and for z.r.z. Realty. We're looking at about a 16 cent per square foot increase in the assessment rate in zone b south over what was included in the original ordinance. So it's a pretty modest change there, and most folks are held even in terms of the assessments. We really wanted to honor the assessment amount that we came up with originally and not making -- make any charge changes. You've heard a lot of testimony up until now and you'll be hearing more today, whether or not you adopt the substitute ordinance, Council needs to do two things. First, council needs to make a finding that the properties will benefit at least in the amount of the estimated assessment. I just want to emphasize here that in the case of swinerton investments property, that means a finding that the benefit to their property will be at least \$1.97 per total square foot. In the case of z.r.z. Realty's properties, that means a finding that benefit to their properties will be at least \$1.65 per total square foot. Anything in excess of that is simply icing on the cake. Secondly, council needs to make a finding that the apportionment of benefit, and therefore assessment, is equitable. As noted, the effective assessment rate for swinerton and zrz realty properties are \$1.97 per square foot and \$1.65 per square foot respectively. The majority of the property owners in the l.i.d., including those throughout south waterfront, have already made their own finding of benefit at effective rates as high as \$5.82 per square foot. So by no means do swinerton investments or z.r.z. realty properties carry a disproportionate burden of the cost of the tram. And I might add these rates will stay the same for swinerton and z.r.z. regardless, whether council adopts the substitute ordinance today. In the case of z.r.z. realty, they have 12.9% of the total property area in south waterfront. But

August 12, 2004

due to the greenway and right of way exemptions, they have only 11.2% of the estimated assessment, despite their prime location at the front door of the eastern tram landing. In terms of overall project costs, they would pay 7.6% of total tram cost, but the remaining 92.4% would be paid by remaining property owners in the l.i.d. Again, a clear majority of whom have signed petitions in favor of the tram with the additional funding from non-l.i.d. sources. We believe the support for the tram throughout south waterfront not just in the central district for example, shows that the assessment methodology utilizing the zones accurately reflects the potential benefit as well as an equitable distribution of assessments. While we do recognize the financial commitments being asked to property owners throughout south waterfront, the reality is there are good economic reasons for these property owners to sign petitions for the tram and to sign on for liens on their property for the tram. They didn't sign petitions for street infrastructure or for anything else. They signed petitions for the tram and the tram alone. Z.r.z. Realty and Swinerton Investments both have the same upside potential as these other property owners because they're so close to the tram. Whatever council decides to do, whether to adopt the original ordinance or the substitute ordinance, my recommendation to council is that we lock down these boundaries and agree that they won't change from now to final assessment, and also lock down the distribution of the \$19 million in base project costs as distributed. Finally, in terms of where we go from here, council has two options at this point. If you're satisfied with the substitute ordinance that's before you today, we can move this on to a second reading next week. If you want some additional information or want to exercise your prerogative to make additional changes, we could have a first reading next week with a second reading the following week. And I have additional information on the distribution of the project cost between the various zones, so what the substitute ordinance anticipates is taking the zone b amount and allocating \$1,067,779 in base project costs to zone b north, \$1,371,982 to zone b south, increasing the zone c amount to \$1,060,239 and leaving the zoning base amount at 3.5 million and the zone d amount at \$12 million. Again, the net effect of that is a 15-cent per square foot increase in the zone b south rate, a decrease of 9 cents per square foot overall in zone b, and holds the most of the assessments within \$1 of what we notified people. Thank you.

Saltzman: How much does the zone a amount total amount from zone a?

Aebi: The total amount for zone a is unchanged at \$3.5 million.

Saltzman: Matt, did you want to add anything?

Matt Brown, Portland Office of Transportation: Not at this point.

Saltzman: Ok. So at this point people have had a chance to see the substitute and are aware of this? Or is this the first time the people in the audience are seeing this?

Brown: Some of the people this may be the first time, but for the affected parties, they have seen the effect of that and have reviewed it.

Francesconi: This is what came out of the last hearing, kind of directions from the council to do this.

Aebi: I might also add we have been very conscientious in notifying people of the continuations and the continued deliberations.

Saltzman: Ok. Any questions for Matt or Andrew?

Francesconi: I'd move the substitute ordinance.

Leonard: We're going to hear from people, right?

Francesconi: Yeah. But I think you need it moved to put it on the table.

Aebi: We can either do that now or after the testimony.

Francesconi: Ok. It's up to you.

Saltzman: Let's wait until after the testimony. Ok. Then let's take public testimony.

Saltzman: Again, if you could just state your name for the record, you'll each have three minutes and the clock is in the lower part of the video terminal. Whoever wants to start, please do.

Jeff Bachrach, Z.D. Property: Thank you, Mr. Saltzman, commissioners. I'm representing z.d. property, I appeared before you at your last hearing and with direction from the council, we worked with your staff to kind of take a second look at the property I represent in one other block, and we appreciate staff's willingness to take a second look, work with us, and I represent one of the benefited

August 12, 2004

properties of the substitute ordinance, so I endorse the substitute ordinance, and thank your staff for taking the time and effort to take a second look and address the issue that was raised last time. So my client is quite satisfied. In the letter I submitted simply says that with the adoption of the substitute ordinance, my client would withdraw a remonstrance. So I think that covers it. If there are any questions, otherwise, thanks again for the council and your staff.

Saltzman: Thank you.

Doug Bean, La Grand Industrial Supply: Doug bean, I represent la grand industrial supply company's property, and we also thank the staff for their time and effort in taking a second look. We support the revised ordinance also. And it's very fair, I think in how it was handled, so I appreciate it.

Joe Voboril, ZRZ Realty and Zidell Marine Corporation: I'll be brief. My name is joe voboril, 888 southwest fifth, Portland, Oregon, 97204. I'm here on behalf of z.r.z. realty and zidell marine corporation. The fact that the staff has proposed a way to solve the problems that these gentlemen raise is fine. It's unclear how -- what the rationale for that is, but i'll leave that in your hands. I'd like to address something else that has come up that I want to make sure is in the record. You should have before you now copies of some letters that were exchanged earlier this week and late last week as well as a spreadsheet prepared by Bob Durgan. I'll be very brief. The first letter that you have in front of you is a letter that I sent to matt brown and andrew aebi on august 6. Once we had a chance to review the summary of remonstrances after your last hearing, which by the way remains substitute after your ordinance, we noted that there were reference to recent appraisals of properties in the central district. Which according to your staff, demonstrate that the property values will be greatly enhanced due to the l.i.d. investments in the streetcar and the tram. Frankly, in reviewing exhibit f, it became clear that the only real hard data supporting that assumption were the property -- were those real property appraisals, so in my letter of august 6, you'll see that i'm asking matt and andrew if they could provide me of copies of those appraisals. The second letter is a letter back to me which I received late monday afternoon from mark moline, the deputy city attorney. He is saying, we don't have the appraisals, actually we never had the appraisals, the staff did not, that the reference to appraisals were based upon a telephone call which the staff had with williams and dame. So I assume that's either homer williams or dike dane. When I received mr. Moline's august 9 letter, I felt a little bit like dorothy in the wizard of oz when she pulls back the curtain and there's not much there. And -- but the wizard of oz is just a dream. This is real. For my client, this is a \$2,173,000 assessments, and it's not funny. In large part, the assumption about increase in property values is based upon hard data that you don't have before you. That frankly is nothing more than a phone call. And I find that pretty incredible. There's one other comment I didn't intend to address, but I will. The comment was made by I think it was andrew just now that the z.r.z. Property, if you look at all the properties, only being assessed at \$1.65 a square foot, and that I assume what he must be doing is counting all of the zidell property, not just the assessable property. If you look at zidell's property, this is why bob durgan's spreadsheet is important, the very last one with all the numbers on it, you have to study it. There's nothing new in here. All bob has done is reformatted the estimates, the other costs. He's taken an accessible area and broken it down so you can look at in column by property owners. And the point of this spreadsheet is it shows you that a \$2,173,000 assessment, the cost per assessable square foot is \$3.64 a square foot, not \$1.65. You know that has to be true, because zidell has no c property, it's got only a, which is \$5.82 a square foot, and b, which is \$1.94, and you just do the math in your head, you know it has to be somewhere in between \$5.82 and \$1.94. And the answer is \$3.64. That's very important. When you look at the -- zidell has so much property, it's taken for streets, for greenway, right of way add judgments. He's left with very little land comparatively speaking. He has a 45% efficiency in terms of what he gets out of his property. When you start layering those assessments on there, it's devastating.

Saltzman: Thank you very much. Questions?

Francesconi: Joe, is your argument that it's not going to benefit to the \$3 plus the improvements won't benefit it that much?

Voboril: Yes.

August 12, 2004

Francesconi: Is your argument also that --

Voboril: Yes.

Francesconi: Legally that we're implying that the incorrect methodology, is it both of --

Voboril: Both arguments, jim. Commissioner. Both.

Francesconi: Jim is fine.

Voboril: I'm sorry.

Francesconi: No, no. I prefer it, actually.

Voboril: Both. Ok. I think eco northwest material demonstrates that.

Saltzman: Thank you.

Kerry Shepherd: Good afternoon. Kerry shepherd, an attorney with markowitz, 1211 southwest fifth avenue, suite 3000. I'm here on behalf of swinerton real estate. I filed a supplemental testimony on august 9, which I believe is before you. I want to repeat that. I simply want to state for the record I would incorporate by reference the written submissions that are before you by eric fruits of econorthwest that were submitted on behalf of the zidells and also the argument that's were articulated by joe voboril in his august 9, 2004, written submission. Other than that, I have nothing to add that would be within the scope of the permitted testimony as laid out by the august 6, 2004, notice of hearing. Thank you.

Saltzman: Ok.

Bob Durgan, Anderson Construction: Bob durgan, anderson construction. How the numbers get different from my breakout and the l.i.d. assessment is that they included all the marquam hill property. And originally it was contemplated that we would have a lower tram and an upper tram, so they kind of vitiated the numbers by bringing in a large number that's totally allocated to the hill, and that's why it seems to dwarf out the 11% versus what we have down there. But economically, under the development agreement and what we are objecting to is that the development agreement clearly contemplated the whole l.i.d. without a public process. You can look to the k-1's, and as part of the development agreement, ohsu with their option, because they agreed to petition for the tram, could combine the -- request the city to do a tram combination. As costs escalated they took that option, and under agreement the city had a forum for it. But we are in the market also under the development agreement that the \$40 million that went into central district isn't available to zidell for a competing business which is in a cluster. And we've been following clusters in our community for development. If you're across the street in a wal-mart district that you want to put a fred meyer and you can't put a fred meyer there because of a restriction that the property owner did as a covenant to the land, your property is less valuable. So you are putting us into a district that has the appearance of having the same opportunity, of getting \$50 a foot in round numbers, but in reality, doesn't have the opportunity to market to that same effect. That 15-year license needs to be considered among other economic factors. So it isn't the same and the same. The tram is basically no more than a pneumatic tube system and a hospital for getting charts up and down. It got oshu great place in town, and we support it. And we support the tram to 140,000 dollars, and we want to pay a proportionate share. But just because we're across the street being the only criteria and not looking at the licenses and the opportunities that were pre-negotiated in the development agreement before anybody agreed to petition for the l.i.d., is a significant difference in the real world of development. And there's other things. We have an 800 -- there was three l.i.d.'s contemplated as part of the development agreement, and they were all going to be on the table at the same time. Since i'm on all these committees, there's a \$30 million part for the greenway. We don't -- that's just the construction, not getting the money, and that's not on the table. There's a \$30 million north macadam fix that isn't on the table. And there's other transportation improvements such as the tram -- the streetcar and maybe even light rail that aren't on there. So we couldn't look at, and we've been talking to some larger developers that do high-rise office out of seattle, they can't make sense out of the numbers. There's not enough numbers on the table to know whether they're underwater, over water, and to say that you can go up in value based on this global

August 12, 2004

approach that mr. Hovey does versus what's standard for the industry is what we question. At the same time, we still support ohsu and we still want to pay a fair and equitable share of the l.i.d.

Saltzman: Thank you. Questions? Anybody else? Anybody else in the audience wish to testify? Ok. Why don't we bring andrew and matt up.

Francesconi: I have one question. That's on the different -- joe -- mr. Voboril testified on the \$3 plus, andrew testified on a lesser figure. So if his figures are right, does the value go up that much, or -- you have to address, if you would address that issue.

Brown: The figures are the same. We -- matt brown, Portland office of transportation -- we enter both figures, similar figures into the record last week. I think right now what you have to look at is their property unsubdivided, it's \$1.65 a square foot. Future post-platting or post subdivision would be closer to \$3.64 a square foot. Same number, they add up to the same thing. I think right now looking at the property today, they have a gross area that would equate to \$1.65 per square foot. We have both numbers in there, and we agree that it's also \$3.64 when you look at assessible area.

Francesconi: Is the legal test we have to show that the value is at least \$3.64 on the assessible portion, or on the whole portion? , the lower figure? Am I making any sense?

Saltzman: Andrew, had you said earlier we need to make a finding that the z.r.z. Property would benefit at least \$1.65 is where --

Brown: I'm sorry, excuse me. The way i've always asked this is that if they were to sell their property, you know, post-development of this project, could they sell their property for \$1.65 more a square foot. I mean, that's one way of looking at it, it's not really the test. If they were to plat it and then sell it, could they sell it for \$3.64 a square foot more. I think you can ask the question both ways and they'd both be a valid test.

Aebi: The only point that I wanted to make is, I would wanted to simply acknowledge that we didn't simply just use a proximity measure alone to spread the benefit for the tram. We were also taking into account the net developable area, so we were giving z.r.z. Realty the benefit of that. I'm trying to illustrate we in fact used two criteria for how we spread the benefit, and therefore the assessment for the tram, because we had a lot of discussion on the proximity, but we didn't have a lot of discussion on the removal of the greenway and the removal of the public right of way. So I want to make it clear we're not charging them for what we anticipate would not be part of their developable area. But matt is right, it should meet both tests, which is to say the \$3.64 rate.

Francesconi: That was my one question. My second question, I don't want to get into attorney-client, whatever, but my second question, for you Linly, are you confident on the methodology questions? That the city is on solid ground? I've read Mr. Voboril's legal memo.

Linly Rees, Deputy City Attorney: We've reviewed it, and use of square footage and proximity to improvement is a methodology we've used in numerous l.i.d.'s, so it is -- it's something we've done before and have successfully implemented, so yes.

Francesconi: I don't have any other questions.

Saltzman: Similar -- I think this question is for linly also, but mr. voboril's concern that we don't possess appraisals, but we relied upon third party appraisals in coming up with the \$120 per square foot cost, is that an issue that we don't actually physically possess those appraisals?

Rees: I may want to let matt and andrew speak to this, but I was not a part of that, but generally appraisals are proprietary and we're not going to be able to get our hands on those from folks. And I guess I want to clarify, I won't spend too much time on this, but in terms of legal standards for l.i.d.'s, we don't go into each property and measure what we think over a 10-year, 20-year period exactly what the increment will be. We do it in a generalized way as to what we think the effect in a particular district will be. So the fact that we don't have a particular appraisal for a particular piece of property, that would be normal for us in an l.i.d. proceeding.

Brown: I would say this, I was going to offer this into the record as well, we did base those -- that 100 to 120 per square foot range on a conversation with williams and dane. I think what we're trying to do was give again kind of the -- what we felt were the approximate boundaries of this and if you look at

August 12, 2004

each one of these properties that we've actually have responded to on a more site-specific basis, the zrz and swinerton properties, I think what we're trying to do is give an example that would give the confidence that, yes, it's well within reason to look at what we're putting in front of city council at this point and say it's reasonable, yes, these assessments should provide the benefit that we say they will provide. We're not guaranteeing 100 to 120 per square foot, we're saying it's reasonable to assume that the assessments in front of council will provide the benefit we say they will. Using that as an example.

Francesconi: You sound like a lawyer, matt.

Saltzman: Any further questions? Ok. So we -- the question before us is do we want to move the substitute.

Francesconi: I move the substitute.

Leonard: Second.

Saltzman: Ok. Substitute is before us. Any further questions? I guess we can call the roll.

Moore: This is a nonemergency. You'll have to pass it to second reading.

Francesconi: Do we vote on the substitute, not on the whole -- I think we have to get the substitute in front of us, don't we?

Saltzman: I think we need the substitute in front of us, and this will constitute the first reading, and then we'll have the second reading next week, ill guess.

Moore: Right. This is roll call on accepting the substitute.

Francesconi: This isn't technically on the zidell portion or the swinerton portion, it's on the boundary changes is what this motion is. Then next week we're going to have the final vote on the whole thing. But -- so this is the right thing to do to change the boundary, and the methodology was the distance primarily as well as the benefit, that's the reason we're changing from zone b to zone c, and i'm confident that's in the record. I'm also confident that it's the right thing to do based on our methodology. So for that reason, before I vote aye, I do also want to say, i'll say this more next week, what I think we have on the other properties is a genuine disagreement about valuation of the benefit. Not -- nobody's opposed to the tram, nobody's opposed to south waterfront, but there's I think we'll end up a legal disagreement as to the valuation. But having said that, we're making progress. We're getting there on a very important part of our city's future. Aye.

Leonard: Aye.

Saltzman: Aye. Ok. So we stand adjourned until wednesday at 9:30.

At 3:34 p.m., Council adjourned.