



CITY OF  
**PORTLAND, OREGON**

OFFICIAL  
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **19TH DAY OF JANUARY, 2005** AT 9:30 A.M.

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

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

**Motion to approve the Consent Agenda:** Moved by Commissioner Saltzman and seconded by Commissioner Adams.

On a Y-4 roll call, the Consent Agenda was adopted.

<b>COMMUNICATIONS</b>	<b>Disposition:</b>
37 Request of Jennifer Merrill to address Council regarding recent epidemic of Methamphetamine (Communication)	<b>PLACED ON FILE</b>
38 Request of Molly Malone to update Council on the Parry Center strike (Communication)	<b>PLACED ON FILE</b>
39 Request of Lora Stewart to address Council regarding street cleaning, abandoned cars and litter (Communication)	<b>PLACED ON FILE</b>
<b>CONSENT AGENDA – NO DISCUSSION</b>	
<b>Mayor Tom Potter</b>	
<b>Bureau of Environmental Services</b>	
*40 Authorize agreement with Union Pacific Railroad for reimbursement of costs to relocate sewers and appurtenances (Ordinance) (Y-4)	<b>179036</b>
41 Authorize Memorandum of Agreement with Columbia Slough Watershed Council to provide funds to the City to develop Columbia Slough watershed restoration and enhancement projects (Ordinance)	<b>PASSED TO SECOND READING JANUARY 26, 2005 AT 9:30 AM</b>

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**City Attorney**

<p><b>*42</b> Amend contract with Hoffman, Hart &amp; Wagner, LLP for outside counsel assistance (Ordinance; amend Contract No. 35432) (Y-4)</p>	<p><b>179037</b></p>
<p><b>*43</b> Amend Legal Services Agreement with Miller &amp; Wagner, LLP for outside legal counsel (Ordinance; amend Contract No. 35068) (Y-4)</p>	<p><b>179038</b></p>
<p><b>Office of Management and Finance—Human Resources</b></p>	
<p><b>*44</b> Create a new lead assignment of Water Security Specialist, Lead and establish an interim compensation rate for this assignment (Ordinance) (Y-4)</p>	<p><b>179039</b></p>
<p><b>Office of Transportation</b></p>	
<p><b>45</b> Accept completion of the improvements to SE 119th and Pine Housing and Community Development Local Improvement District as complete, authorize final payment and release retainage to Parker-NW Paving Co. (Report; Contract No. 52004, LID No. C-9992) (Y-4)</p>	<p><b>ACCEPTED</b></p>
<p><b>Police Bureau</b></p>	
<p><b>*46</b> Authorize an Intergovernmental Agreement with Multnomah County to provide equipment for use by the Domestic Violence Enhanced Response Team (Ordinance) (Y-4)</p>	<p><b>179040</b></p>
<p><b>REGULAR AGENDA</b></p>	
<p><b>Mayor Tom Potter</b></p>	
<p><b>Office of Management and Finance—Bond Counsel</b></p>	
<p><b>*47</b> Authorize limited tax revenue refunding bonds to refinance outstanding bonds issued to fund the City portion of the Oregon Arena Project (Ordinance) (Y-4)</p>	<p><b>179041</b></p>

At 9:46 a.m., Council recessed.

**January 19, 2005**

**WEDNESDAY, 6:00 PM, JANUARY 19, 2005**

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

**January 20, 2005**

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,  
OREGON WAS HELD THIS **20TH DAY OF JANUARY, 2005** AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Potter, Presiding; Commissioners Adams, Leonard  
and Sten, 4.

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

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<p><b>48</b>     <b>TIME CERTAIN: 2:00 PM</b> - Adopt amendments to the Cascade Station/Portland International Center Plan District and related amendments to the Comprehensive Plan and Zoning Map (Ordinance introduced by Mayor Potter; amend Code Section 33.508; add Code Section 33.807; add Comprehensive Plan Policy 5.13)</p>	<p><b>Disposition:</b></p> <p><b>CONTINUED TO FEBRUARY 10, 2005 AT 3:00 PM</b></p>
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At 2:05 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 File.

**January 19, 2005**  
**Transcript File of Portland City Council Meeting**

This file was produced by the Council Clerk's office from audio recording of the meeting.  
Key: \*\*\*\*\* means unidentified speaker.

**JANUARY 19, 2005                      9:30 AM**

[roll – Mayor Potter, absent]

**Leonard:** Who's first to testify?

**Item 37.** (not present)

**Item 38.**

**Leonard:** Come forward Molly, you have 3 minutes.

**Molly Malone:** Good morning, my name is Molly Malone and I'm a child and adolescent treatment specialist at the Perry Center for Children. First of all I would like to thank all of you for your support you've shown the Perry Center and the Union so far in this struggle. It's been greatly appreciated and we're sure that without your help and the help of other local politicians that this settlement—this hopeful settlement—would not be possible. I'd like to thank you for the Resolution you passed at the end of last year regarding –urging the Perry Center to come to binding arbitration. As you know we accepted that and we asked for binding arbitration and the Perry Center management declined. So we thank you for that. Also, Commissioners Leonard, Adams and Sten, we thank you for your recent letter to Ken Scott. Our union has read a copy of it and it's really a great thing. These are the exact things that need to happen in order for a settlement to come. As you may already be aware, Perry Center Management has permanently placed all the striking workers. In any field this would be questionable business practice. In children's mental health, it's a dangerous business practice. These children need permanency in their life, they need stable care givers. Replacing permanent employees in a field that already has high turnover is just appalling and it's dangerous to the children. Perry Center has also be using this conflict as a –to blatantly bust our union—and that was mentioned in your letter. We think that any management coming in the middle of a workers' right to go on strike is detrimental to union rights in our country and in our city. I'd just like to finish by saying we appreciate all future support you can give us and we feel it is key to a settlement in this conflict. Thank you again for all your help.

**Leonard:** Thank you Molly. Everybody here I know appreciate the work that you and your colleagues do. It's some of the most challenging possible. You've helped kids that are often throw-away kids that no one wants anything to do with. I greatly appreciate what you and I know—and all my colleagues do as well.

**Item 39.**

**Lora Stewart:** Good morning everyone and thank you for this opportunity to speak today.

**Leonard:** Could you state your name for the record?

**Stewart:** I'm Lora Stewart, I live in NE Portland. Three recommendations for generating revenue and beautifying portland. I live in ne portland, rose city/alameda neighborhood and I am always walking, riding my bike and driving around the area. I have yet to see a street that is completely void of cars when the street sweeper is supposed to be doing his job. I have never received any notice about upcoming street sweeping. As mentioned before a simple posting of when the sweeper would be there and alternate street parking as many cities have would generate revenue with ticketing and eventual towing. When I see the street sweeper going down the middle of the street with cars on either side, I consider this a waste of city dollars, not to mention the environmental concern with all the garbage going into the storm drains. From what I see, this is a city that doesn't work and Portland needs to start about ways of saving and generating money and being efficient, not spending and being inefficient. Now the abandoned car issue. The abandoned cars I'm talking

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about have flat tires, broken windows, oil leaks and expired tags. It is a disgrace to see this. If they were ticketed and towed it would be revenue for the city. I know the police department is understaffed, but they do neighborhood drive throughs and certainly must observe some inoperable vehicles. By ticketing and towing the owner would have to pay for the ticket and fees to retrieve their car or the car would be sold at city auction. If it went unclaimed, which I'm sure many of these vehicles would, since they are not able to be driven or have expired tags and probably no insurance and probably parked in front of drug houses. Now I'm on to the litter issue. I realize there are programs in place which inmates do some litter pickup. I'm talking about the criminals who are released due to space. This is in response to an email I had emailed Mayor Potter. Some of this may be responding to him, so it doesn't sound like I'm just writing it out. I'm responding to questions he had. Saying that inmates do litter pick up but—I'm talking about the ones that are released immediately due to no space. They should be held responsible for some community service. Even if it is only on the day they are released. We need to think about ways to make use of criminal man power and utilize these criminals to help the city, not just to turn them loose with no consequences. I remember when you received a fine for littering. Is that not in effect any more? Did that fly out the window with all the trash people just throw out the window? I have been observing downtown and people of all kinds throw trash right down where they are standing on the street. Not in a trash bin a block away. Police and city workers seem to watch and not really care. In fact, I've seen some city workers that are some of the worst litterers I've ever seen. I realize homeowners are responsible for their areas and businesses should be too. Also City of Portland should hand out tickets for littering to once again give the city more revenue and at least let the public know they cannot just dump trash wherever they are standing.

**Leonard:** Are the abandoned cars on the street or on private property?

**Stewart:** They are on streets.

**Leonard:** Actually the Portland Office of Transportation of which Sam Adams had, but is now under Mayor Potter's portfolio, is responsible for that.

**Adams:** I'd be happy to talk to you after the meeting.

**Stewart:** That would be great. One other thing. Just as I was coming here, you'll never guess what I saw—a street sweeper going down the middle of Fremont with cars on either side, sweeping up the gravel. That's just a waste.

**Leonard:** Thank you.

**Stewart:** Thank you.

**Leonard:** Does any one want to pull anything off the Consent Agenda? Any member of the public have any item they would like pulled? If not, can we have a motion to approve the consent agenda?

**Saltzman:** So moved.

**Adams:** Second.

[Roll]

**Item 47.**

**Leonard:** Good morning, thanks for coming. Please identify yourself.

**Eric Johansen:** I'm Eric Johansen, Debt Manager in the Office of Management and Finance. The ordinance before you this morning authorizes the issuance of limited tax revenue refunding bonds for the purpose of refinancing all of the city's outstanding bonds related to the Oregon Arena Project. As you may recall in 1996 the city issued about \$37.5 million in bonds to finance the public infrastructure costs related to the project. With the decline in interest rates that we've seen since 1996, we're now in a position to being able to refinance that debt and in the process to realize about \$5 million in debt service savings. So while this refunding is being driven by the desire to reduce debt service costs, we're also proposing to accomplish 2 additional goals in this process. The first, is to restructure the outstanding debt in a manner that better matches the cash flow that we've actually realized from the arena project. In 1996 we didn't have an operating history with

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the arena project, so our projections were appropriately conservative in terms of how much revenue we thought we would be able to collect, primarily from the user fees and the parking revenues. Now with about 8 years of history we are better able to project those revenues and as a result we can restructure the debt in a manner that more closely reflects the revenues we anticipate collecting from the project. The primary result of that restructuring will be a shortening of the outstanding debt. Currently the bonds in that project mature in the year 2020. We think that we'll be able to reduce that final maturity now to somewhere between 2016 and 2018. The second goal we hope to accomplish here is to simplify the security structure behind the bonds. In '96 the financing structure we developed was a fairly complicated 3 tier pledge of arena net revenues with certain of the bonds being backed by the net meter revenues of the city and other bonds being backed by the gas tax revenues of the city. This proposed ordinance will restructure the security by eliminating the formal pledges of the bonds, although the actual revenue sources that will go toward repaying the bonds will remain the same—primarily the user fees again from the project and the parking revenues from the project. The benefits of simplifying the security structure we believe will enhance the marketability of the bonds when we come to market and also make more efficient the financial management of the arena project over all. The bonds are currently scheduled to be sold via competitive sale on February 16<sup>th</sup>. If interest rates stay close to where they are now we'll be able to realize the savings and to accomplish the other goals that are anticipated at this time. With that I'll be happy to answer any questions.

**Leonard:** Thank you.

**Adams:** Has the bankruptcy proceedings impacted the city—on the city side of the ledger, has it impacted the city in any way?

**Johansen:** Not directly. The revenues we've collected historically on the project have continued to be collected. Obviously declines in attendance at events, primarily blazer games, has resulted in some reduction of revenues. But as long as the arena project continues to operate, whether it's under the previous management or the current management, we anticipate being able to collect the revenues that are necessary to repay the bonds.

**Adams:** In terms of the future memorial coliseum with—forgive me, maybe I should know the answer to this question about what's the new memorial coliseum -- we're now dealing with the new entity on that question. Is that correct?

**Johansen:** Yes, I believe so, yes.

**Adams:** OK and have they approached us yet for any changes in that?

**Johansen:** They may have well approached the spectators' facility group. I'm not familiar with those conversations, but I think it's a continuing topic of discussion. If they haven't approached them so far, I would imagine that would occur very soon.

**Adams:** By doing this bond refunding, which seems to make a lot of sense in terms of saving money. Does that limit any of our options for whatever we collectively think should be the future memorial coliseum?

**Johansen:** I don't see that there is a direct tie between the two.

**Saltzman:** So these are revenue bonds?

**Johansen:** These are unlimited tax revenue bonds that are ultimately secured by the full faith and credit of the city. Most of the bonds that are currently outstanding for the arena project are likewise secured by the full faith and credit of the city. The difference here is that we're removing a formal pledge of the arena revenue due the project. Nonetheless those revenues will still continue to be the primary source of repayment. It's just that there won't be a formal pledge of those revenues to bond holders.

**Saltzman:** I guess I'm confused why we wouldn't keep that pledge to make them more like revenue bonds. That there is a specific revenue stream to pay these bonds, as opposed to saying they are now a call on the full general fund of the city. What's the reason?

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**Johansen:** The primary reason is to allow those revenues to be used in a more flexible manner. When they are formally pledged to the outstanding bonds there's restrictions on how those revenues can be used for things other than the arena project specifically.

**Saltzman:** Once we pay what we owe on the bonds are there still restrictions that apply to how we might use excess user or parking funds? Is that what you're saying?

**Johansen:** Once the arena bonds are paid off...if we did no refinancing and paid off the existing bonds, obviously there would be no pledge to any outstanding bonds and those revenues would be more flexible—

**Saltzman:** I guess what I meant to say, is once we make our monthly payment, are there still restrictions on how we use the user funds and parking revenues?

**Johansen:** Currently there are. Yes.

**Saltzman:** So now we would use those same funds, but we'd have more flexibility in how we would use whatever surplus remains after we make our monthly payments.

**Johansen:** Correct.

**Leonard:** Further discussion? OK Karla call the roll.

**Adams:** Aye. **Leonard:** Aye. **Saltzman:** Good work, Aye. **Sten:** Thanks, Aye. [gavel pounded]

**Leonard:** Due to lack of an agenda, there will not be a Council session this afternoon. We will reconvene tomorrow afternoon, Thursday January 20<sup>th</sup> at 2:00 pm. Council is adjourned.

At 9:46 a.m., Council recessed.



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2:00 PM

**Potter:** As always, when I said when I was running for office, and as I've done since I've been here. I think it's important to remind ourselves why we're here. So I always ask the question, "How are the children?" To date I don't have a good answer for that. I'm sure a lot of you folks do. I just returned from Washington DC about an hour and a half ago and it's interesting, I didn't hear anybody but us talk about children. So, I guess that says something right there, doesn't it, how are children are? [gavel] Council will come to order. Karla, please call the roll.  
[roll call]

**Potter:** Please read the item.

**Item 48.**

**Potter:** This item is being continued to February 10<sup>th</sup> at 3:00 pm. Council will not be making a decision today and defer discussion on the project until February. I understand there are some key stakeholders in the amendment process out of town. The city does not want to move forward with the public hearing without these participants. We'll take testimony today from anyone who wants to give it, and you can come back on February 10<sup>th</sup> and give any additional comments. Is there anyone who wishes to testify? If not, this will be continued on February 10<sup>th</sup> and we are adjourned.

At 2:05 p.m., Council adjourned.