



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **23RD DAY OF FEBRUARY, 2005** AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Potter, Presiding; Commissioners Adams, Leonard, Saltzman and Sten, 5.

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

Item 131 was pulled from the Consent Agenda for discussion.

Motion to adopt the Consent Agenda: Moved by Commissioner Leonard and seconded by Commissioner Adams. On a Y-5 roll call, the balance of Consent Agenda was adopted.

COMMUNICATIONS		Disposition:
123 Request of Thomas E. Mullen to address Council regarding testimony update on homelessness, U.S. Department of Housing and Urban Development and the City (Communication)		PLACED ON FILE
TIME CERTAINS		
124 TIME CERTAIN: 9:30 AM – Accept City of Portland Small Business Advisory Council Year-End Report (Report introduced by Mayor Potter) Motion to accept the Report: Moved by Commissioner Saltzman and seconded by Commissioner Leonard. (Y-5)		ACCEPTED
*125 TIME CERTAIN: 10:00 AM - Adopt budget adjustment recommendations and the Minor Supplemental Budget for the FY 2004-05 Winter Budget Adjustment Process and make budget Adjustments in various funds (Ordinance introduced by Mayor Potter) (Y-5)		179081
CONSENT AGENDA – NO DISCUSSION		
Mayor Tom Potter		



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126	Authorize the Director of Environmental Services to execute grant agreements with Urban Water Works for implementation of stormwater management demonstration projects (Ordinance)	PASSED TO SECOND READING MARCH 2, 2005 AT 9:30 AM
*127	Authorize a Joint Funding Agreement with the U.S. Geological Survey in the amount of \$30,000 to evaluate toxics in sediment and water in the Columbia Slough using semi-permeable membrane devices (Ordinance) (Y-5)	179077
Office of Cable Communications & Franchise Management		
*128	Grant a temporary, revocable permit to Paramount of Oregon, Inc. to own and operate a pipeline system and establish terms and conditions (Ordinance) (Y-5)	179078
Portland Office of Emergency Management		
*129	Apply for an Office of Domestic Preparedness FY 2005 Urban Area Security Initiative Grant of \$10,491,037 to plan for chemical, biological, radiological, nuclear and explosive events through training and equipping first responders (Ordinance) (Y-5)	179079
*130	Apply for a nationally competitive Pre-Disaster Mitigation Grant not to exceed \$12,700,000 for pre-disaster preparation (Ordinance) (Y-5)	179080
City Auditor Gary Blackmer		
131	Appoint Jerry Spegman, community member, to serve on the Citizen Review Committee for Independent Police Review, term to expire on December 3, 2005 (Resolution) (Y-4; N-1, Adams)	36294
REGULAR AGENDA Mayor Tom Potter Office of Management and Finance – Bureau of General Services		
*132	Extend the Operating Agreement between the City and Beavers Pacific Coast League Baseball, LLC for PGE Park through December 31, 2005 (Ordinance; amend Contract No. 52202)	CONTINUED TO MARCH 2, 2005 AT 9:30 AM
Office of Sustainable Development		
*133	Accept a two-year grant agreement with The Energy Trust of Oregon for \$300,000 to fund resource efficient, high performance building practices through the City Green Investment Fund (Ordinance) (Y-5)	179082

FOUR-FIFTHS AGENDA

Office of Management and Finance

- *133-1** Amend contract with Management Systems Utility Group for project management services for replacement of the water and sewer utility customer information and billing system (Previous Agenda 93; amend Contract No. 34809)

Motion to suspend the rules and hear the Four-Fifths item: Moved by Commissioner Saltzman and seconded by Commissioner Leonard.

(Y-5)

179083

At 11:47 a.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,
OREGON WAS HELD THIS **23RD DAY OF FEBRUARY, 2005** AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Potter, Presiding; Commissioners Adams, Leonard,
Saltzman and Sten, 5.

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

134 TIME CERTAIN: 2:00 PM - Amend Title 32, Signs and Related Regulations and Title 33, Planning and Zoning to update and improve land use regulations and procedures (Ordinance introduced by Mayor Potter; amend Title 32 and Title 33)	Disposition: PASSED TO SECOND READING MARCH 2, 2005 AT 9:30 AM
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At 2:15 p.m., Council recessed.

February 24, 2005

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,
OREGON WAS HELD THIS **24TH DAY OF FEBRUARY, 2005** AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Potter, Presiding; Commissioners Adams, Leonard,
Saltzman and Sten, 5.

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

<p>135 TIME CERTAIN: 2:00 PM - Appeal of Sylvan-Highlands Neighborhood Association against Hearings Officer's decision to approve the application of Douglas and Julia Pollock for a five-lot subdivision for attached housing development at 1750 SW 58th Avenue (Hearing; Previous Agenda 82; LU 04-039239 LDS)</p> <p>Motion to tentatively deny the appeal and modify the Hearings Officer's decision conditioned upon the acceptance of the revised preliminary plat and on the condition that Oregon Department of Transportation grants the applicant permission to cross the existing Slope Easement with the proposed driveway from SW Montgomery Street, staff prepare revised findings for March 17, 2005: Moved by Commissioner Leonard and seconded by Commissioner Sten. (Y-5)</p>	<p>Disposition:</p> <p>TENTATIVELY DENY THE APPEAL AND MODIFY THE HEARINGS OFFICER'S DECISION WITH CONDITIONS, PREPARE FINDINGS FOR MARCH 17, 2005 AT 2:00 PM</p>
<p>REGULAR AGENDA</p> <p>Mayor Tom Potter</p> <p>136 Amend Title 33, Portland Zoning Code to allow modifications through design review to development standards in South Waterfront height opportunity area and amend specific procedural elements of subject regulations (Second Reading Agenda 122; Ordinance introduced by Mayor Potter; amend Code Section 33.510.205.G)</p> <p>(Y-5)</p>	<p>179084 AS AMENDED</p>

At 2:47 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.

February 23, 2005
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.

FEBRUARY 23, 2005 9:30 AM

Potter: Before we begin the official council session, as is our order now, we always ask, begin the council session, by asking how are the children. And we ask some -- asked some experts in to tell us how the children are. Interestingly enough, all the experts are children. This morning we have a young woman named cazmine bonnot. Please come on up, cazmine. She's a student at naya. Cazmine, explain to the group about what naya is and a little bit about your background and tell us what you'd like us to know.

Cazmine Bonnot: Native american youth association.

Potter: Could you speak up a little bit?

Bonnot: Sorry. Naya, I go to school there, and we have lots of different programs there for the youth, tutoring, and we have different leadership groups and stuff. And I currently go to school there. I'm 17 and i'm sioux and creek indian.

Potter: Good. And what are you currently doing?

Bonnot: What am I currently doing?

Potter: Got a couple projects and some school activities.

Bonnot: Yeah. I do a lot of volunteering at several different native organizations. We do service projects every month. I help plan and organize local pow-wows around Portland. I'm also part of the youth leadership project. We are doing a native american documentary on how native american youth is breaking stereo stereotypes that society has for native americans.

Potter: Good. After graduation, what do you want to do?

Bonnot: I want to go to Portland state university, and I want to get a degree on social services, focusing on native american youth.

Potter: Good. In asking the children, how are the children, what do you think this council should know about our children and what are some of the issues you think are important.

Bonnot: Some issues that I think are important. I think kind of depends on what part of Portland you live in, because the part of Portland I live in, which is north/northeast Portland, the children aren't doing so good. We have a lot of gang violence. A lot of shootings and killings. I've seen lots of my friends get shot in front of me. A lot of drug dealers, drug addicts. Just for native american youth, I think we just -- our biggest problem we face is walking in two different worlds. We have the native part and we have today's society, an it's hard for us to find self-identity. So we have a lot of problems.

Potter: What can we do to help?

Bonnot: What can you do to help? We just want to be recognized, and like have more stuff for native american youth and be more in like the public eye, because society -- well, this is for any nationality, but society has a lot of stereotypes toward native americans, and society sees native americans a certain way, think they do certain stuff, but that's not how it is.

Potter: Good. Is there anything else you want to say in your final statement?

Bonnot: No. I just thank you for having me here and letting me have a voice. Up, I think it's good that you have different nationality of children coming up here.

Potter: Thank you very much, cazmine.

*****: Thank you.

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Potter: And thanks for the folks who brought you here today, too.

Saltzman: Mr. Mayor, I might just add, in terms of what we can do to help, one of the things we're doing to help is the children's investment fund has invested in new and expanded their sports and cultural activities offerings. I don't know if you participate in any of the sports.

Bonnot: I used to be on the basketball team. But also, mayor, I just want to thank you for being part of new avenues for youth, because I'm part of that now, and they got me a job at Ben & Jerry's.

Potter: Thank you. Is this video going to be part of your video project? Is it going to be part of it?

Bonnot: It will be.

Potter: Good. City council will come to order. Karla, please read the roll call. [roll call taken]
[gavel pounded] Karla, please read communication item 123.

Item 123.

Potter: Is Mr. Mullen here? Ok. Moving on to the consent agenda. Do any of the commissioners wish to pull anything from the consent agenda? Anybody in the audience wish to pull anything from the consent agenda?

Moore: We have that item 131.

Potter: Ok. So now we'll then move on to the vote on the consent agenda.

Leonard: Move the consent agenda.

Adams: Second.

Potter: Ok. Please call the vote.

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

Potter: Aye. [gavel pounded] so now do we hear the item 131?

Item 131.

Moore: Yes.

Potter: Ok. Mr. Handelman?

Moore: I'll read it.

Potter: Please state your name for the record.

Dan Handelman: Dan Handelman, with Portland Copwatch. Mayor Potter and commissioners, thank you for pulling this off the consent agenda. I'm not here to speak specifically about the specific nominee, but to address the nomination process. Once again, the name of the nominee was not released until last Friday, four and a half days before his confirmation. While we were glad the information previously given to us that he was a former police officer on C.R.C. At this time was not true, we are not clear from Mr. Spegman's resume which draws him to this committee. We do not doubt that his application and interview process revealed some of this information, but since none of that information has been made public how can anyone challenge his nomination? We expected more of a public process for bringing on the new C.R.C. members, at least the biography should include an answer to why the applicant thinks police accountability is an issue. I want to repeat briefly my comments. First that the I.P.R. system is long overdue for a public review. We thought there would be an opportunity to compare the old system to a new system in 2002. It's now 2005. Again, we encourage you to allow the people of Portland, including former C.R.C. members, complainants and officers to testify before money is spent on an external audit. Secondly, add members with backgrounds in civil rights to balance out those with backgrounds in public safety. Third, create more about publicity for the I.P.R. process as a whole. Fourth, revise the process for nominating C.R.C. members. And fifth, keep the city council involved in the I.P.R. system. I'd also like to add some comments that I sent out after the last C.R.C. meeting. At that particular meeting the director, Mr. Rosenthal, dissuaded C.R.C. members from allowing the man pepper sprayed in the face at a protest from filing an appeal. Despite the fact that internal affairs did not conduct the investigation in the manner agreed by the C.R.C. They agreed to drop the case because the lawsuit was interpreted in such a way that the officers' actions amounted to a claim by the complainant. We

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made four recommendations because of that. One was to reaffirm the importance of holding public hearings on individual cases, even though we agree the policy review is very important, and that the c.r.c. should be doing policy review, they've narrowed it down to doing one policy issue a year. We'd like to see more hearings and therefore more policy could come forward to you. Piaac used to put out policy recommendations on a quarterly basis, now you're only getting one recommendation per year. Provide for the consultation of an outside attorney in cases where the city attorney's opinion presents a conflict of interest. And perhaps reclassifying director's position to an at-will position. So we can go on and on. We hope there will be more time to look at this process, maybe when the i.p.r. releases its third annual report this spring.

Potter: Any questions from the commissioners?

Adams: Do we have an application? All right. Item 131 appoints jerry spegman. Is there an application we have to look at for his appointment?

Gary Blackmer, City Auditor, Office of the City Auditor : In terms of the -- of the application process, we have a written application that the candidates submit. We have a group that is richard rosenthal and three citizens --

Richard Rosenthal, Director, Independent Police Review: Well, actually five citizens. Three former members of the citizen review committee and two citizens chosen at large who are not affiliated with the program. So a group of -- richard rosenthal, i.p.r. Director. The way the process works, and it was created by the ordinance, ordinance last year, is that we solicit applications from throughout the community. We do publicize it in the papers. We go to all the -- we publicize it through oni, in the neighborhood associations, and get a significant number of applications. A committee of six individuals, myself, three former or current -- or current c.r.c. members who are not seeking to be reappointed, and two additional individuals from outside the community then review the applications, select the top applicants, and then a committee of three, one outside citizen, one former c.r.c. member, and myself, conduct the interviews, and then we refer them to the auditor. This committee consisted, to give you an idea of the -- the range of individuals who participated in the committee, we were unanimous in our viewpoints of the best candidates, consisted of norm costa, who's on the sexual minorities roundtable for the chief's forum and very involved otherwise with the bureau in advising the bureau on issues. Donna ordinore, currently working as an attorney for bonneville power administration, a former Multnomah county deputy attorney and commissioner Sten's recommendation for the c.r.c. We had tony chafey, also a member of the sexual minority community, very well regarded within the community and was mayor katz's recommendation to the committee. Sid lezak, the former Oregon u.s. Attorney and now very involved, one of the leading mediators in the state. And eric terrell, also a former c.r.c. member and the person of color who agreed as well to assist. We were asked -- even though we came from extremely different backgrounds, we were unanimous in the top candidates who we referred to the auditor and the auditor has now nominated each one of them to council.

Adams: Did I -- maybe my briefing book is just incomplete. Is there an actual application, though?

Rosenthal: There is an application, but what we do is we advise council of the individual and their background, and then if any councilmember is interested in seeing the application, they're obviously more than welcome to do so.

Adams: Oh.

Rosenthal: We engage in a civil service-type process to select these members.

Leonard: I don't think the concern I hear is on the particular individual or who was on the selection process. The concern i'm hearing is there wasn't a notification earlier. Do you invite dan to these?

Rosenthal: No. It's not considered a public process. I think gary wants to --

Leonard: Why not?

Rosenthal: -- gary wants to address that.

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Blackmer: From my standpoint we really wanted to make sure that we had citizens who could be objective, who did not favor police or -- or anti-police sentiments. So we go through a pretty rigorous process. And my concern is that it really becomes like a personnel process. And we had a situation where one of our candidates was slammed in the newspaper, publicly, as an applicant, and that -- that was three years ago.

Leonard: But isn't that, just to play devil's advocate, I mean i'm more familiar with folks appointed to boards and commissions around the state, and they're much the same kind of role, volunteer, but there's always a public hearing in front of a committee about those nominees. How are these appointments -- how do you view those appointments different than those kinds of appointments?

Blackmer: I guess from my standpoint these positions are required to be objective and fair. They are not necessarily of -- they're not aid positions. They're -- we ask them, do they want to commit the time to do these kinds of things. They have an opportunity at that point to understand what the responsibilities are. So to that degree i'm really uncomfortable about having videotaping of these kinds of meetings and having citizens go through that process, because I -- I think we've had people who are really uncomfortable with that.

Adams: Right. I just -- it's sort of a common theme, so i'm not picking on you or your process, but I need to see -- I need to see an application before I can vote on something. I mean, whether it's the housing authority of Portland, whether it's our budget committees, whether it's p.d.c. I need to see -- I mean, in good conscience, I can't vote on something that I only have three lines in an agenda for. I mean, I don't think i'm doing my job.

Leonard: And beyond that, to be honest, it's hard for me to get through the stuff that I get now, as i'm sure it is for you. I wasn't aware that that was the process, as you've described it. And I guess I have a concern about that. And i'm wondering if i'm alone in that concern or not. But I think it would be healthier -- because, you know, I could have two reactions here. I could agree with you because one of the people that dan named as there being a perceived problem with is one of my nominees, who I have tremendous faith in. That notwithstanding I do think it creates a perception issue, that actually just speaking for the person I nominated, I would have welcomed to have a public hearing, as i'm sure loren would, so that people understood that though he was a firefighter, he's a very independent and objective person. And the objection i'm hearing is that, the process, not so much who the people are, but there's a perception of a process, and I tend to agree with that.

Blackmer: Ironically we had a public hearing process, and it turned out that the people who got on to the committee, I felt, were out of bias. And they were able to mask that in the public process quite capably. So I don't necessarily subscribe to the idea that that's going to produce better candidates. I really feel like we -- we want -- we have a group of citizens who have credibility. When they tell the police bureau a finding needs to be changed, in virtually every case the police bureau has changed the finding. That never happened before. In fact, city council told the police bureau to change findings and the police bureau didn't change them.

Leonard: No. I appreciate that.

Blackmer: So we have put together a group of citizens that the only time the police bureau has gone against them and come -- appealed to city council, the city council supported the police bureau in that case.

Leonard: I guess the question is, when you have a c.r.c. meeting, those are public meetings?

Blackmer: They are public.

Leonard: So the folks that are there are in public?

*******:** Uh-huh.

Leonard: I guess i'm not connecting why we would have them do what I consider most other appointments to public bodies do, and that is subject them to a public hearing. Believe, I understand the downside probably better than anybody here, but on the other hand I do think it creates a perception, then, of an open process. I'm concerned that members that are -- of the

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community that want to have some input learn about an appointment as late as dan did, because I -- again, unless i'm mischaracterizing his comments, I don't hear him criticizing the person. I hear him criticizing the process.

Rosenthal: Let me have a suggestion on how we can handle this and handle this in the future. Two weeks ago the council approved four members, according to the exact same way --

Adams: But I had applications for them. Maybe they sent them directly.

*****: No.

Adams: I had applications for mine and gwen.

*****: None of the commissioners requested the applicants' --

Adams: They were sent to me directly. I just assumed there would be appointments with all these - - applications with all these appointments.

Rosenthal: We have eight members on the committee right now. We're seeking to fill out a partial-term vacancy that lasts until december. We can introduce this member now, extraordinarily well qualified and I can give you his background. I would suggest we reevaluate and come december, when there will be four more positions open, is we'll confer with council. We can come up with a process, which at minimum would include providing copies of all the applications to all the councilmembers, and then potentially presenting the people before council, and then having a discussion, having public comment, and then a vote the next week. But right now the problem is we're down -- we've got eight members, and even numbers never a good idea on a committee like this. This is only for a six-month term and then we can do it the way council would like.

Leonard: To be really clear, I mean I appreciate commissioner adams raising the concern about the application, but he's already got a reputation as a wonk. The more paper he wants, that's great, he can have it. That's not what i'm asking for. I'd like to do it in a cooperative manner so that it works well for you, but I really am focused on having the hearings be public, because I didn't realize that they were not. I guess if he -- if there's something beyond what i'm hearing today, i'd like to talk about it with you, gary, more.

Rosenthal: I think we can come up with a process. We don't think the initial interviews should be public.

Leonard: But you do have a committee that talks to the people. That's what i'm talking about.

Rosenthal: Those are the interviews of three individuals. What I would suggest, and we can work out the details over the next several month, is that once the auditor has identified individuals that he believes are appropriately qualified, then at that point we could have a public meeting where they're introduced and --

Leonard: Right. And have a place where people could come in and listen and express their views to the selection.

*****: Exactly.

Leonard: Would it be a public hearing, in your vision, in front of a group that would have the power to decide or not?

Rosenthal: It wouldn't be -- the group that has the power to decide is the council. I mean, one possibility is that it be done in front of council. Another possibility is that it be done in a separate public meeting.

Leonard: Yeah. I'm more thinking about the committee model, where you have the opportunity for the public to come in and testify at a committee. At least listen.

Rosenthal: I think that can be done. Gary and I are both very strong on the idea that at least in the initial strong process, as we're weeding people through, we don't want to embarrass people who are otherwise are not going to be recommended to council.

Leonard: I get that. I'm intrigued by your suggestion by at least having something where there's a notification sent out at some point that there's an opportunity to come and --

Rosenthal: I think we can work and --

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Leonard: -- testify or whatever.

Rosenthal: I'm fairly certain we can work out a process that would fit with your concerns and as well as the concerns that gary and I have.

Leonard: That would be great.

Rosenthal: In the meantime I would ask council to consider meeting this individual, hearing his background, and at least filling this one position, because the c.r.c.'s having a retreat on saturday.

Leonard: I'm comfortable doing that, as long as we have a commitment to change. And maybe we can do both, that you're asking for, gary, and still have a public process, as long as we're agreeing that that's what we'll do.

Blackmer: I guess i'm willing to have, you know, this committee hear the public viewpoint on it, but, again, if they want to discuss the strengths and weaknesses of the candidates, I don't want that done in public. I really --

Leonard: I don't think i'm hearing that so much, just let us hear who it is, let us testify, hear what they're about, and let us have input before they end up on our docket.

Blackmer: Ok.

Leonard: Unless I mischaracterized, dan, what you --

*****: Sounds good.

Blackmer: We can incorporate something like that.

Potter: Any other questions from the commissioners? Any other further comments from you, mr. Handelman?

Handelman: I have plenty of other comments, but I appreciate the -- kind of the movement where this is going. Thank you.

Rosenthal: May I bring up mr. Spegman?

Potter: Yes.

Rosenthal: I think he already has an idea of what he has to face in the future.

Adams: The public's nothing compared to randy.

Rosenthal: Right now we have five members of the c.r.c. All recommended by various members of city council. Mr. Spegman is a grants manager for the nonprofit robert wood johnson foundation, formerly an attorney in new hampshire, representing poor and disabled clients. He was an administrative hearings officer for cases involving special education, vocational education. When he first moved to Oregon in 1995 he conducted administrative hearings. All the members of the selection committee were very impressed with mr. Spegman, with his interest in serving on the committee, and with his background and can believe that he could be a fair and objective member of the c.r.c., who would provide valuable insight, an outside perspective that the bureau could value and the auditor could value.

Potter: Mr. Spegman, would you like to make a comment? If so, state your name first.

Jerry Spegman: Thank you, mayor. My name is jerry spegman. I've been aware of this -- this process or this committee since it was initiated a few years back. Read about the possibility of some option in "the Oregonian." thought that I had the skill set that would serve this committee well. I've always volunteered my time where appropriate, in this community and others. And it's no more complicated than that. I think I have some good fact-finding skills, good listening skills. I'm objective. I don't bring a bias to this position. And yet in the time that i've lived in Portland obviously some of the kinds of disputes that have come before this committee have been some of the most painful for this community, and it's hard not to be impressed with the pain that the city has gone through on those occasions. So I thought I could help the process with the skills I have and bring no more to it than that genuine commitment and interest and lack of bias.

Potter: Any questions from the commissioners? Thank you, mr. Spegman. Thank you for willing to serve.

Spegman: Thank you.

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Potter: Any other questions from the commissioners? Thank you. Is council ready to take a vote?
Karla.

Adams: Umm, well, I want to thank richard and the auditor and mike for their ongoing commitment to providing oversight to the police activities. I think you've made incredible strides in the time, three-plus years, that it's been in place. Umm, as you know, i'm on record supporting in this budget process an allocation for completing that outside independent review. Not because I know of anything going seriously wrong, but because it's been operational for three years, and I think it's a good time for an outside review. I remain very concerned, though, that we appoint people without adequate information. It's something that I was asked about as a candidate, and it's something that I have to fulfill a campaign promise for. So I will be voting no today. It's no reflection on the candidate at all. But I took great care in appointing and selecting marcella red thunder, and I didn't have all the applications for the votes that I took a couple weeks ago, shame on me, but i'm not going to appoint anyone who I don't at least have the basic information about ahead of time. So I vote no.

Leonard: Well, I appreciate the discussion we've had today. And I appreciate auditor blackmer's willingness to look at how we can do the things he wants to be able to do, which I actually agree with, I understand, and still have some public process. So that, I think, is very helpful. I'm one nominee away from voting no. I'm not there, because I -- I think part of this process should be about discussing issues coming up with possible improvements, and then working to get there. And I -- I view very much auditor blackmer as a partner with us, and a good partner, in improving the citizen review committee. The last time we voted, I said, and I would like to repeat today for the benefit of mr. Spegman, that I consider this committee to be the most important citizen committee that there is in the city, if not the state, because I know of no other comparable kind of entity anywhere else in state or city government that can have such an impact on citizens. Having said that, it's a very hard job. I don't know that I would want to have the job that they do, which is to question sometimes decisions made by police officers in very tenuous situations. And so I appreciate the balancing act that must be accomplished on the one hand. On the other, it requires sometimes the folks on this committee to make some really tough recommendations and judgments about the action of police officers. And I very much appreciate that charge. So good luck, mr. Spegman. I wish you well. And thank you for serving. Aye.

Saltzman: Well, I think mr. Spegman, you look like an outstanding candidate. I'm pleased to support you. I do think the point about we should have some background information on nominees, future nominees, seems like every board we do make appointments to, there's usually something in our packet that gives a brief overview of that person, I think that point is valid, but certainly doesn't rise to the point where i'll oppose this nominee. I think the c.r.c. is doing a great job. I've been to the meetings. I've seen how hard they prepare for, how hard they are at the meetings, but the members are well prepared, and I think they're doing a great job. I think the evidence of how many findings have been sustained, that the police bureau accepts, is a good -- a good indicator there. Aye.

Sten: I think we're making a lot of progress. I'll definitely support the nominee. This is a very tough job. I think the application was brought to the council in good faith under the current system, and I think this applicant would have survived that process. But I do -- I do like some of the proposals. And, you know, it's a tough balance between -- you don't want to scare people off from applying, particularly in the early stages, but you do want to have people -- I think a bit of a venting process adds to the credibility of the committee. I like the direction this is going. Thank you for your willingness to serve. This is a tough job. I vote aye.

Potter: I echo the sentiments of the other commissioners. I think what c.r.c. does is very important. But I also think what mr. Handelman does is very important in terms of keeping us to the highest standards and ensuring public accountability for the actions of the police, as well as the c.r.c. and I

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appreciate especially the fact that citizens are willing to step into the breach, make some very difficult decisions, but always with the goal of improving police services. And I look forward to working with c.r.c. in developing that public process for the next set of hearings. Aye. [gavel pounded] ok, time certain. Item 124. Who's doing the presenting of that?

Item 124.

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

Potter: Please state your name for the record, sir. You have three minutes.

Ethank Dunham: I'm ethan dunham. My business is pulse business systems. I live in northeast Portland and my office is in northwest Portland. The small business advisory council is a volunteered-based organization, formerly staffed by the Portland development commission's business advocate, but also staffed through city council and bureau staff through their support of our meetings and participation in our work group. Our efficacy can be attributed to the fact that we're truly a public/private partnership. The city ordinance formalizing us was formed in large parts due to the efforts of former commissioner Francesconi and commissioner adams when he worked for mayor katz. We want to formally thank the council and the mayor for having us here today and for allowing their staff to work in supporting us. We want to thank the bureau directors, particularly, for both their active support and again having their staff work with us. Without their hard work and especially I want to point out the work of jennifer, our small business advocate, much of what we're reporting today would not be accomplished. I also want to recognize that what we're reporting on today is as a result of a lot of two-way communication and a lot of work at an -- on early involvement. What we've been working on for the last couple of years, both -- on both sides of the table, both public and private, is to get involved early with issues that involve small business community, both bureau and council have been very assertive about coming to us with ideas early on and have allowed us to in turn respond. Our primary goal at the sbac is to be the voice of small business to the city of Portland. And while we don't represent the entire business community, there's some 40,000 small businesses out there, we do feel like we're representative of small business. And you'll hear from ken turner of our membership community, and jackie babace, we're working diligently to be more representative of and becoming a better voice for small business in Portland to you. So as we move on today, to get -- to our reports, i'd like to -- a chance to help the council with a couple of concepts in dealing with small business people. There are two things i'd like you to remember. One is that we're a competitive bunch. Nine out of 10 of us don't make it, so we don't to be very competitive, but another thing that we are is passionate. We tend to be passionate about building things. And one of the things that we've built is jobs. In fact, i'm here today to pass out a new campaign that small business in fact creates jobs. I don't know if you've got these bumper stickers --

Adams: Yes. I've got one.

*******:** All right:

Adams: And no more cuts for schools, too.

Dunham: With this in mind, about creating jobs, we have used that as our idea to create a bridge between the business community and the broader community. And one of the things, if you'll -- we've developed with ken and dave lister, here today, is our economic development statement, which you have in your appendix b. If you can review that at your leisure, whenever you do have that. One of the things i'll call out, just right at the beginning, is the statement that the essential elements of the quality of life are job and economic stability. And something else there that a former president said is that the best social program is a job. And so in order to help us build bridges to the entire community, we plan to use this idea of job creation, because we think it speaks to the core of economic development. So for this calendar year, 2005, we as a committee and council, have met and are using this statement as our filter for our objectives and are going through our working groups and ask them to come up with action items to help us meet those objectives. So

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we just ask two things today. First, you review our economic development statement and give us your support. And the second thing is to grant us a working session in the near future to discuss the statement and give us your input on our action items and perhaps ones that you may have for us. Thank you again. I'm now going to turn it over to have a brief statement from each one of our committee chairs. First is ken turner with membership. Jackie babace -- excuse me. First it's jackie with communications. Then we'll do a quick line change and tony ellis from our regulatory reform committee and simon tomkinson from our -- our contracting and then our new policy committee. Thank you.

Jackie Babaky-Peterson: I'm jackie babaky-peterson, and i'm the owner of babaky performance partners l.l.c. We're a consulting group to small businesses, help them improve profitability. I've been a small business owner in Portland for nearly 30 years. In addition to my role with the small business advisory council, i'm also the chair of the small business prosperity implementation team. I notice you just received our -- our diagram pointing out all the different pieces that are coming together. This is a multiorganizational consortium that's been working together for the last two years. And we have a common goal, which is regional economic prosperity through small business vitality. And we're working together on that, and as ethan just said we've identified our tagline of small business creates jobs. This I hope gives you some idea of the multiple things that are being carried out by many different parts of this consortium. And sbac has been assigned the most important things for this organization to take on, things we'll be talking about as we deliver our report. On the communications committee, we're an infrastructure committee to the sbac, and we've been charged internally with building links, communication links, among all of our members, which are both business owners and members of the bureaus. And externally, among small business organizations. So we have identified, contacted, gotten permission to work with 42 other business organizations throughout the region. So you might say we've created now, we've put into place, what might be considered an old-fashioned telephone tree. We have a way to make contact with 42 other organizations, pretty much at a moment's notice. So our idea is to, you know, create this network between sbac and other business owners with the idea that businesses can hear through sbac about policies, resources, opportunities to serve on task forces and committees, ways to have their voice heard at the table. And also an incoming communication from those organizations about what are their particular issues and, you know, what would they like to have brought forward, what is important to them. We've also been able, over the last year on this committee, to create quite a few good internal structures, which have strengthened the sbac. One is a process by which we put together a new task force at anytime, you know, clarify what their particular role is going to be. We've also put together a system of, you know, consent agenda, just like you're working on, so we don't have to spend our very precious meeting time going over things that are really more administrative. We've also developed and conducted a new member orientation, with the idea that this will help our new members become more efficient and aware of what's going on, you know, be up and participating sooner. We have a news release procedure we put together. And certainly last but not least we have developed a way to be working with the office of neighborhood involvement, because we're interested in the small businesses out in the neighborhoods, working much more closely with the neighborhoods themselves. In the coming year, our largest project is going to be publicizing and getting known our economic development position statement. We'll be looking for more or less ratification, if you will, from many of those other 42 business groups. We've already gotten that from the hispanic chamber and from the Portland business alliance, with many more to come. And, you know, the last thing we'll be working on this year is again working with that relationship with oni and strengthening that. We need to strengthen the voice of business out in the local neighborhoods. Ken?

Ken Turner: Thank you. I'm ken turner. I'm the general manager with eastport plaza shopping center, and i'm also a member of the anpba and east Portland chamber of commerce. As chair of the

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membership committee we've identified one of our key objectives, is to recruiting and retaining a broad-based membership that mirrors the profile of Portland's diverse business community. In the past year, we've added six new members to sbac. We're continuing to work to reform and improve their recruiting and nomination process. We've expanded the scope of membership to gain a wider mix of business interests, working with the communications committee and their matrix of approximately 42 business industry and trade groups in Portland. We've also conducted an exit interview. Play on the words, political word, with former sbac members and conversing with them and getting their insight of -- from their perspective, how to improve sbac. And those interviews have been -- have been invaluable. And we continue to evaluate the involvement of the current sbac membership. Our goals, of course, are to fill vacancies as they come up. We have -- on the private sector, we have 21 to 27 members. And we also have representatives from the public sector. We seek to fulfill the goal of a better geographic and industry representative on sbac, and continue to expand the scope of diversity of membership. We outreach to business groups and organizations and the public sector, including city commissioners, for recommendations to sbac. Thank you.

Adams: Thank you.

Dunham: I'm going to go ahead and ask tony ellis and simon tomkinson to come up. We have other members here. They're joining us today. I also want to thank sue and rachelle participating in our meetings to support us. If I missed anybody, i'm sorry.

Turner: Ken turner. And also chair of the cost of doing business. The small business advisory council, as a volunteer organization, has expressed its desire to be an organized voice to the city council on matters that may impact the small business community. The cost of doing business permeates almost every activity that a business does in the city. And it has been identified, this cost has been identified, as a major concern to the small business community. The primary goal of the c.d.b. is to raise the awareness level to local policymakers of the importance of this cost to the overall success and profitability of a small business. And remember, small successful businesses means jobs, jobs for the community. Past accomplishments of our cost of doing business committee, we have testified before city council regarding the business income tax, business license fee payroll tax and communicated this to the broader business community. The original discussion of the economic development position statement originated in the cost of doing business, and it was led by dave lister into a separate task force to finalize that statement. We produced the fpd&r position statement and testified before city council in support of the joint resolution 60. Provided input into the city of Portland's pilot system development charge grant program that was approved and adopted by council in 12-17-03. Ongoing participation on the time, place and manner oversight committee. Recently we participated in a recent -- or a joint committee regarding the draft resolution of enhanced surface water, and we've agreed in principle to the draft resolution regarding registration of paid lobbyist within the city with the idea, if this adds transparency to the city government, then that's a good deal. Our going-forward goals include continued involvement in the bitlf. As most business people feel, that's not quite a fair way of taxing. We're going to be involved with the trash collection matter, especially with the franchising issue that's -- you know, that's been recommended by the noise control review committee. We'll focus on the sewer and water rates. We'll continue to monitor the fpd progress, with their oversight committee, will actively seek participation in the city budgeting process. We have made a recommendation of lou jaffe to be a part of that committee. We'll hear information this coming month on the p.g.e. Situation, continue to monitor the purb meetings and other issues that -- you know, that may come forward. Our committee can serve as a sounding board for council and for city bureaus on resolutions or changes that may come up in the near future. And I would encourage all of you to use those resources. I'd be remiss if I didn't mention a couple of people who have -- they were part of our cost of doing business committee. And these folks are from the public sector. Sue kiel, thomas lanham, susan vara, alex ravaro, I murdered that name, have proved supremely helpful in getting ideas to us, and

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discussion of the goods and the bad. One name most of us know, christina germaine, with commissioner Francesconi's office, was instrumental in how this committee functioned from the start until she left. Thank you.

Tony Ellis: My name is tony ellis, i'm with graphic sciences. We're a printing ink manufacturer in northeast Portland. I first want to thank city council and the bureaus for the excellent work in improving customer service and for the continuous work on regulatory reform. This makes Portland a better place for small business and the creation and retention of those small businesses, and proves that economic development and planning are not mutually exclusive. In march of 2004, the sbac established the main goal for the regulatory reform committee, which was to assist the city bureau staff in developing a mechanism to identify and review new regulatory and/or policy changes in order to provide early input in the process. I'm pleased to report that we are achieving this goal. We participated in a focus group with the bureau of planning on the proposal for developing regulatory improvement code amendment packages. As a group, we later met with the planning bureau to understand the progress and status of that proposal. And the information that was presented at that later meeting incorporated every idea that that focus group brought to the -- the planning bureau. And I think that that clearly demonstrates the early input from businesses is mutually beneficial to both the city and to small businesses. We also participated as a member of the regulatory improvement stakeholder advisory team. We worked with members of the bureau of planning on commercial corridors at the data-gathering stage of the project. Barry manning was a member of our committee and was specially helpful with that project and we're looking forward to continuing the work with commercial corridors with alma flores. We also added the bureau of development services small business liaison to our committee, susan vara, also with the cost of doing business group. A great digs to our group, and helping to accomplish other goals by serving as the liaison between the city and small businesses. Our goals moving into 2005 include continuing the work with the commercial corridor and how that project progresses through the years. We will also continue working with the regulatory -- regulatory improvement stakeholder advisory team. And we look forward to any specific projects that city council can help identify and things that they have issues and any questions or concerns with small businesses. Thank you.

Simon Tomkinson: Good morning. I'm simon tomkinson. I want to thank the former chair of the work group. I was not he. His name is andre baugh. I will personally miss him. He's a fantastic guy. He and his work group have made lasting contributions to the city and to the business community. The contracting work group, as it was set up, under andre, was focused on the working relationship between business and the city. And last year has had some lasting contributions. It provided input, it directed focus and supported sparta. It -- we continue to be concerned about contracting insurance issues for small businesses. And -- and especially, you know, supporting qualified businesses. The work group also provided early and strong support for the acceptance of the local business initiative. And we continue in our efforts to strengthen the local business environment. Through the involvement of the c3 group, andre reported to the sbac on the increased activity and progress in expanding contracting for mwosb businesses in the city. With andre's departure from the sbac, i've taken on redefining the role for the contracting work group. While many of the committees at the sbac have done a stellar job, we've not created a strong leadership role for advancing policy. This is something we want to address. We actually want to work with you to address. We believe that the need to be more strategic in how we interact with you, and also with our small business community, rather than being critics we want to be partners in how ideas become policy. And I think this is absolutely vital. We have the task by redefining the contracting working group into the policy impact working group, and focusing its directive on a proactive stance rather than a reactive one. Our main goal is to help define what constitutes a good business environment for the city of Portland. However, we have defined the following goals for the next year. Based on the economic development statement that the sbac developed last year, we want to

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create simple talking points that can help the individual bureaus identify small business issues. This means working with the bureau liaisons to the sbac and leveraging the relationships we've developed over the last two years to move policy toward a small business friendly stance. Our group also wants to create a better outreach to the minority women owned small business community, to be a contact -- or create contact people for specific business community groups. I think this is important. We've had informal relationships, where we've been open to -- to contacts, but now we want to formalize those things and actually dedicate individual members to be responsible for communicating to business groups in the community. We also want to strengthen the small community business relations to exchange ideas. This is a work in progress. We need help defining that, but we firmly believe that we need to stir the pot to get more small business involvement in our community discourse. We also would like to extend to you, the city council, the ability to work with us directly on issues. And formalize a process for advancing your business ideas and defining a set of priority items to advocate and work on. We'd like to define this as quickly as we can. These are some large ideas. I think the proof in the pudding will be us, you know, crafting some viable approaches. So we look forward to working with. Thank you.

Dunham: This concludes our report. Thank you very much. We're happy to take a few questions, if you have them for us. I'd like to -- quickly recognize brendan finn, with commissioner Saltzman's office. He's been working with us. I think we first met him when he came to us with the pilot sbac program. And then warren jimenez from commissioner adams' office has also been working with us. Thank you. We're happy to take questions from anyone here.

Potter: Commissioners?

Saltzman: Question. First of all, i'm very impressed with how you've jelled over the last two years. I think when this committee was originally established with p.d.c.'s assistance under sort of commissioner Francesconi's and mayor katz's leadership, I think, you know, city council has seen lots of citizen committees come and go and ebb and flow in terms of the strength and focus, and I think you have only built your momentum more and more and focused in like a laser. One question I wanted to ask you is, are you stretching yourselves too thin and burning yourselves out? Are members -- I guess directly, are members filling their terms? Are you having too much turnover or are you having no trouble getting members when you need them?

Turner: As any organization, we have turnover. Sometimes the stark reality of what this committee is all about creates some trepidation in certain people. This is a working group. There is no other way to describe it if an individual is not willing to participate, this is the wrong committee for them. And there were -- and there was a little bit of realization along the line. I feel very confident that within a very short time we'll have a full and very, very active committee.

Saltzman: Yeah. I mean it seems like you already do. Secondly, I appreciate the desire to be more proactive in policy. I know my office, I think every office, has gone to the small business advisory committee now when we're thinking of initiatives to get your perspective. That's kind of a -- I think it's becoming standard checkoff point. I think that's what the committee was intended to be in many respects. And even when we -- even when we disagree with your statements and your positions, it's still healthy, and we have had those instances, but still healthy to have your perspectives. We look forward to them. I know my office and every office will continue to support the work you do. Just want to say thanks for all the work you're doing. I did want to say for the council, not only did the small business advisory committee support the independent review of the fire, police retirement and disability system, but gave a few nominees to serve on that committee, and one of those people, judy rice, is a member of the independent committee taking a look at that. Thanks for that as well.

Potter: Other questions?

Sten: Are there specific things the council can do better for you?

Turner: Can I address that?

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Sten: Sure. [laughter]

Adams: Now they want to testify.

Tomkinson: What we like to do is have a better relationship with your offices. One the things we haven't been able to do is necessarily target specifically communication pathway, and we want to do that more. And we also want to help you and get things across the table. And if that means us taking issues to the community, we're willing to do that, too. So I don't think this is just a one-way street. I think we have a relationship, and this is where jackie just shines, frankly, she's really created a great base for us to create a contact group for the business community. And we want to now start using that. Not only for you, but also our community. So that's a big part of it. But it also involves, on your side, communicating to us what you need. And so maybe we can actually open up that dialogue.

Sten: That's terrific.

Leonard: Just to let you know that ken has my home phone number. [laughter]

Turner: I don't give it out.

Leonard: Pass it out discreetly.

Turner: I'd like to elaborate somewhat on what simon mentioned. You've heard it here this morning. We try to be proactive. We want to be proactive, but in order to to do that we need to have the information early on in the process. It's very difficult to position ourself if one day we're approached by someone, saying we need your support on this, and it's coming to council tomorrow. And it's very, very difficult to do that. So I would encourage each of you, that if you do have issues that are coming up, policies or whatever, to bring them to us as soon as possible.

Tomkinson: Can I mention one last thing? We're all volunteers, and we meet once a month with our overall group, and then once a month in our committee. We try to do as much as we can in that group setting. That's actually where it becomes really important. We got early involvement. Because we don't meet that often. We actually have -- run businesses, have lives. So it's important for us to get that kind of information. We want to do whatever we can to support that. So we're also creating a database for contacts. And that's part of the policy impact group. And so that will -- we'd be willing to also share that, some of that information with you, so we can get that information out quickly.

Dunham: One other thing i'll mention is that we appreciate the support that we have through p.d.c. with the staffing, both jennifer and megan. So that's been a tremendous resource for us. We'd ask you to continue to fund that, is huh you can support us.

Saltzman: One more question. I'm looking at the organizational chart for your prosperity implementation team. And there's a group in town -- I think they're called the buy local campaign. They sort of kicked off last september. Groups like powell's, kitchen kaboodle, new seasons, many others, really emphasizing of a dollar nested locally, you know, more of that dollar's going to stay in the local economy if it's a local company. Are they involved, or have you thought about maybe extending an invitation for somebody from that buy local campaign to serve on the sbac? I know this is an area you're interested in.

Dunham: I've had a conversation with a person -- with some of the -- with the local director, and I know that she has been in contact --

Saltzman: Bridget baird?

Dunham: Yes. We're in the process of having conversations to see how we can get involved.

Saltzman: Ok. I think that would be great --

Dunham: We're aware of it, yeah.

Saltzman: I think it would be great to add them to the prosperity implementation team.

Dunham: Ok.

Tomkinson: If I can also mention, it's important to set up a relationship with the business community that doesn't necessarily limit our ability to do business. And this is where local

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initiatives are very vital and they can be dangerous in terms of how we communicate those things. One of the things we need to be careful of is our language. We need to also encourage trade and business with regional partners, not just simply Multnomah county. And how we define that is absolutely vital. And so if we look at a regional sort of strategy for economic development, the buy local strategy is totally -- is part of a total package. It's a part of looking at the overall stability of how Portland works. So that's one of the concerns we may have. And we're working with our group to address that.

Saltzman: Yeah. I think that's a good point. I think the buy local campaign does extend more of a regional, even a statewide basis. Good point.

Potter: Further questions? Thank you.

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

Adams: Thank you very much.

Potter: Is council ready to vote? I need a motion to accept the report.

Saltzman: So moved.

Leonard: Second.

Potter: Hearing no objections, so ordered. [gavel pounded] Karla, let's take a vote to accept the report.

Adams: I'm thrilled to have been part of the initial inception of this, and want to acknowledge commissioner Francesconi and christina germane, working with all of you, involved with this effort, really brought it to the next level and a couple of levels up. I especially want to acknowledge jennifer and janice and all the staff that's been involved with this. It's just been fantastic. I don't know how many weeks i've been in office. Five weeks or so.

Leonard: Is that all?

Adams: Yeah. [laughter] I appreciate your feedback. You better attend the roast, because i'm going to roast you on thursday. I appreciate the feedback that i've sought and received on the lobbyist initiative, determining the best way to support neighborhood business districts, your encouragement on the business -- excuse me -- the city's budget committee reforms, reforms to the city's budget committee. And I just want to underscore some of the projects that you mentioned and a few others that I look forward to working with you on in the future. And one is the zoning and commercial corridors, the nonconforming zoning that puts so many of our businesses at a competitive disadvantage, where they exist in an establishment that has always been commercial in many cases, but is zoned residential. And so it really is a disincentive for them to invest back into their business, because they have to go through the variance process, it's time consuming, it's expensive. The other thing that commissioner leonard and -- we're dealing with, with commissioner Sten and the -- we've divided up the budget, so we're taking licenses, is the -- is really fast-tracking the online payment of the city's business license fee, which ought mates a whole bunch of processes behind the counter that will allow us -- allow you to pay online and hopefully allow to bring some of those costs down. Also want to acknowledge commissioner Saltzman and commissioner Sten, and we're working on the utilities and the costs of providing sewer and water services in the city. We've brought in -- we're bringing in outside experts, utility experts, as part of our budget review this time. And hope to see some good assumption checking and hopefully bring down costs in a responsible way for water and sewer charges. I think everyone on council has talked about at various times s.d.c.'s and the opportunity to sort of check in on the underlying policies of s.d.c.'s that I think in some cases are about a decade old, but also look at opportunities for having all s.d.c.'s as part of a payment -- loan payment kind of program, the same way that the city bancroft -- has bancroft loans on sidewalks right now, and those loans don't count against your financial sheet when you go to a bank for a loan. So there are opportunities there for to us work on that. Then I do -- i'm -- maybe it's politically incorrect, but i'm a big fan of the buy local initiative, and I know that we can't limit ourselves only to buying local, and have to have our national -- responsible national

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and regional chains feel welcome here as well, but the numbers in terms of the economic impact, money spent with a local business are irrefutable. Maybe I shouldn't say it, but it's a special place in my heart for small businesses that are locally owned. So I really want to thank all of you for your work over the past two odd years, and I look forward to working with you in the future and enthusiastically vote aye.

Leonard: There have been dramatic changes in the last two years that all of us here can feel proud of to make it easier for businesses to get permits in the city and to locate and to see the city as an advocate. I'm sure you've heard that we're really focused on the budget this time and making sure that positions that don't help the city meet its mission, via its bureaus, are the ones we look at eliminating first. I will tell you that commissioner Saltzman and I both consider Jennifer to be one of those kinds of positions, that we recognize probably more than any other single effort, I hear constantly in the community the good work that you do. And so I consider that to be a -- as important as any other service we provide. And I'm committed to making sure that we continue those efforts. The -- I think the future's exciting here for us. And small businesses. As Ken knows, cracking the nut of the business income tax, business license fee, is tough. I'm focused on making sure that people on the other hand feel like they're getting value for what they're spending, because I really believe that if people feel like they're paying for something and they know what they're getting in return and it's a good service, they're willing to pay what it costs. And I recognize that, as does the entire council. I'm happy to work with you and vote aye.

Saltzman: Well, again, I think you're doing a great job. You've really established yourself on the scene. That's very important. My only counsel is you have very ambitious plans, and make sure you can sustain and sustain yourselves, because we need you here, this constructive criticism to make sure we're doing our jobs to make sure the cost of doing business is reasonable, especially when it comes to the cost of local government services. Aye.

Sten: Well, I agree with everything that's been said. I want to thank you for all your hard work. I actually this is -- it's a pretty straightforward idea, but it's also, I think, a little bit cutting edge and critical. I mean, I think we're in a world where larger business interests -- it's not all bad -- are beginning to consolidate and run everything, and I think the strength of our city is really dependent upon -- I mean, right now most of our jobs are small business and they pay better, but I think the future is unsure on how all these things will work. If we don't have strong local businesses we'll be a much weaker place, not just economically, justice -- as just a place to live as well. I'm impressed. I thought this was a good idea, but I'll be blunt, it didn't look that different than a lot of feel-good strategies that don't ultimately amount to a lot other than maybe feeling good along the way, but I think you've transcended that, and this process is adding a lot of value. He I thought it was better to ask the question, what I could do for you rather than what you could do for me, but since you answered that way, I think it would be terrific to have more two-way communication going on. You struggle a lot on a day-to-day basis with how do you get information out about things to constituents in a meaningful fashion that's more than the sound bites that get out there. I think there's all kinds of possibilities for this. I really appreciate your efforts. I'm glad to see that there's still energy there to keep pushing to the next level. It's a pleasure to vote aye. Thank you.

Potter: Well, as the new mayor I want to let you folks know that I'm here to work with you and to ensure that your businesses succeed, because at the core and the heart of Portland is the small businesses that make our community what it is. And I think that this entire council is committed to working with you to ensure your success and to ensure the success of Portland. We have a lot of hurdles to overcome still, but I think by us working together in partnership, that we can do great things for our community and great things for our businesses. So I'm very wholeheartedly add to the other yeses. Yes. [gavel pounded]

Adams: It's unanimous.

Potter: Thank you very much, folks.

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*******:** Thanks.

Potter: Ok, Karla, time certain, item 124. No. That's it. Excuse me. Emergency vote. Item 125. Staff, please come up, identify yourselves.

Item 125.

Jennifer Sims: Jennifer sims, financial planning manager, office of management and finance.

Doug Le: Good morning. My name doug le with financial planning division.

Sims: We're here to present generally the winter bump, the budget monitoring process. Three times per year we do a major budget amendment. Today we have highlights for you on new requests for funding, significant transfers, new revenues, and position changes. The budget amendment includes two parts. There are what we would call standard budget adjustments, and then there's also a portion that would be a minor supplemental, minor supplemental actions are where we're adding new revenues to individual funds, but less than -- increasing those funds by less than 10%. To move into the specifics, i'll just hit the major things. Under new requests for funding, this includes monies for -- from general fund technologies for operation and -- contingency for operation and maintenance of the kastilles property, the funding close to \$1.2 million to fund the storage area network, which was a contract the council recently proved. Also \$300,000 from the bureau of environmental services for new tryon creek headwaters project. This will address endangered species act and system efficiencies and includes an element for affordable housing. We also have a couple of significant transfers to note for you today. We're making an organizational change that is -- will now be reflected in the budget, transferring the customer services work from -- that has been housed in the water bureau to the office of management and finance. That includes transferring 126 positions and about \$5.1 million of expense. So there's no real net increase in that transfer, although later i'll talk about a couple of new positions. But that large amount is being placed in a different location for management purposes. Also, another significant transfer is recognizing about \$2.6 million of new grant revenues from the federal grants fund, and then transferring those to the responsible bureaus. Under new revenues, I already mentioned the grants, many of them are homeland security related. We also are recognizing \$238,000 in parks program revenue. \$1.6 million from the safely property at tryon creek wastewater treatment plant. Those proceeds to go to the sewer construction fund. And \$936,000 for a line of credit for the ibis replacement system. On position changes, we have recommended a net increase of three limited-term positions. There's some adjustments, some adds and some subtracts. These are the nets. And 13 permanent positions. The primary permanent position increases are transfer from the powell valley road water district under a 1993 annexation agreement, we're recognizing six positions. And we are also creating four full-time positions related to the enterprise business system project. Those are the major areas. Also this action accomplishes what is called the general fund overhead trueup, which is kind of a code word for making adjustments to the overhead charges from last fiscal year to recognize what actual costs were, and that results, because of under expenditures, results in about \$1.5 million of transfer of revenues back to the various bureaus, which are generally placed in contingency. So we're -- we're achieving that through this action. Oh, one other thing I forgot to mention. In your materials that you've received, part of the midyear adjustment process reports on the budget no progress, and you've received text. There's nothing that I would particularly call out. There's a progress or action being taken in each area as directed by council through those budget notes.

Potter: Questions from the commissioners?

Saltzman: You started off by mentioning a contingency for the catelles property.

Sims: Yes.

Saltzman: How much is that?

Sims: \$80,000 for operations and maintenance.

Saltzman: How much does that leave in our contingency fund?

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Sims: After we do the general fund trueup, there will be about \$978,000 left in general fund contingency.

Saltzman: Ok.

Adams: Just a technical question. This is my first as a city commissioner.

Leonard: It will be your last.

Adams: If the class of expenditures show up without a minus, that means we're adding them to the expenditure of the city, right?

Sims: Yes.

Adams: Ok. And so some bureaus are taking it from other miscellaneous categories and putting it into -- like why would someone take from miscellaneous and put it into other?

Sims: Are you looking at a particular document that I should refer to?

Adams: What is -- refresh my memory. What is authorized to be spent out of the miscellaneous category versus the other category.

Leonard: He's at fund number 124.

Sims: You're looking at the bump document, the ordinance?

Leonard: I have a spreadsheet.

*******:** Oh, a spreadsheet.

Adams: I think we all have spreadsheets.

Leonard: It's exhibit one on number 124.

Le: The other categories usually include cash transfers, transfers for equipment. Those are the categories typically put under other as opposed to materials and services.

Adams: What's under the miscellaneous category again?

Le: Miscellaneous categories would include materials and services. We have capital outlay.

Adams: You guys look at those things, though? You look what's in the other versus the miscellaneous? Those are other categories for those items.

Le: Each analyst in financial planning looks at the bump materials from each bureau. And usually -- I think the one that you happen to be calling out here, it's a \$2,000 adjustment. Usually these are just technical corrections for making sure that they're in the correct category for reporting purposes. We try to just -- for these reports to you, we try to just highlight things that are larger impact.

Adams: Ok. Thank you.

Potter: Other questions? Is council ready to take a vote? Karla, please call the roll.

Moore: I didn't have anybody sign up for testimony. Maybe someone in the audience wants to testify.

Potter: Ok. Now since no one wishes to testify from the audience, Karla, please call the vote.

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

Potter: Aye. [gavel pounded] item 132. Staff, please come up. State your name for the record.
Item 132.

Ron Bergman: Ron bergman, general services director.

Dave Logsdon: Dave logsdon, spectator facilities manager.

Bergman: The item before you is a technical extension of the current agreement that we have at p.g.e. Park to ensure that we have a 2005 season and that the city has guaranteed revenue for our obligations for the next year. We are continuing to work with the league for finding a permanent ownership for the team and to have a long-term agreement with the city. We don't have that at the present time. We're working on it. But until that time we need to be covered for the next season.

Adams: How are things going?

Bergman: The question of how things are going, the pacific coast league has performed very well for us. Last year our revenue last year was much better than the previous two years combined in terms of the payments that we've gotten. They've been good to work with in terms of managing the park and scheduling activities. In terms of the longer-term agreement we have -- have been having

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discussions with one particular ownership group. We not reached terms yet. And have not -- are not ready to come forward with a recommendation to you beyond that.

Adams: Where are we in terms of the payments, the ledger sheet exactly? How far behind are we?

Bergman: Well, part of the terms of the short-term agreement, and would be our expectations in a longer-term agreement, would be payback for the kind of out-of-pocket expenses that we had during those times that were less than the revenue that we got when we weren't being paid. So there is a payback provision.

Adams: And have you given to the council sort of -- at the end of last season did you provide council with the numbers, where we're at with p.g.e. Park?

Logsdon: No, we haven't, commissioner adams. We can certainly do that if it's council's desire to see essentially a year-end financial report for --

Adams: I think it's important.

Logsdon: We can certainly provide that.

Adams: And how do you feel in terms of the -- I mean, I know this project painfully well, and I know how important it is for marketing, which needs to have been thought through and -- how do you feel in terms of the marketing plan for the upcoming year and the participation of the league in sponsoring that marketing?

Bergman: Well, the management of the team has made substantial investments in additional marketing staff owe and additional marketing staff to make this next season better than the last season. A part of what they're looking for is some stability themselves in terms of the agreement with the city. I think this will give them some short-term stability in terms of knowing that they have the -- the team and the park and the seasons for both the timbers and the beavers, as well as making the facility to p.s.u.

Adams: What are your thoughts on the proposal to bring major league soccer that we've read about in the newspaper? What is the status of those discussions?

Logsdon: Well, what is being brought this year is an exhibition game with one of the major league soccer teams. I think that would be, you know, driven by ownership interest, if there's a party in Portland that wanted to own a major league soccer team and bring it to Portland, certainly I think the operators and the city would be certainly interested in talking about that, but I think it would -- the impetus for that would come from an ownership interest in, you know, acquiring a major league soccer franchise.

Adams: How are we doing on major maintenance in terms of is there -- are we starving p.g.e. Park of adequate maintenance?

Logsdon: No, I think not at all. I think we have high confidence in the operations and maintenance staff up at the park. We think they've been doing a quite good job. We go up there periodically, do walk-throughs through the building. It always looks well cared for and well maintained. They produce an annual maintenance plan during the off-season that they go through and do the repairs and painting and patching and those kinds of activities. They go about it in a pretty systemic way.

Adams: When will the turf have to be replaced?

Bergman: Well, we do periodic testing of the turf to determine its wearability and safety. And we are setting up a schedule with the operators to -- to do that on a regular basis. When that turf is due for replacement, the terms of an agreement are going to cover the costs on that. Most of it will fall to the city.

Saltzman: So why is this just a one-year agreement? Why not two or three years? If they want or stability and we want more stability?

Bergman: Frankly, the league that is the owner of the team wants to sell it. And so they are looking to find an ownership team, so they're not in the business in running one of the teams that are in the league. They did that in order to preserve the -- the teams playability. There were issues with the former ownership group, and so they stepped in.

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Adams: Just a few. Just a few.

Bergman: Yeah. So they stepped in. And I think rightfully so. To preserve the team and to preserve baseball in Portland, and they're looking for a new ownership group to come forward. And when that happens they're going to want to have a new agreement with the city.

Saltzman: So, I mean, did we ever broach the idea of a two-year agreement that could be terminated upon sale to a new team or something like that?

*******:** Umm --

*******:** New team ownership. Sorry.

Bergman: We really did not discuss anything with them longer than the one-year agreement because of our discussions with at least one potential ownership group for a longer term agreement, it seems to be fairly short on the horizon. We were hopeful that before this season would start we'd be done with those negotiations, but in fact we're not. So in order to protect the city we feel that we have to have -- bring to you an agreement that at least covers us for the 2005 season.

Saltzman: Yeah. I guess it just seems from a sales and marketing point of view, it would be difficult for them to be marketing sponsorships, what do you call the suites, suite ownerships, because there's always this big question mark hanging over, is there going to be a next season, next season.

Bergman: Right.

Saltzman: Why would I want to sponsor a suite, a logo or something if I don't know that?

Bergman: I think there are really two issues -- the sponsorships at the park are typically multiyear agreements. Most of those are in place. They're finishing up. Before those get reupped, it would be important to have a longer-term agreement in place. The suite rentals are typically on a season-by-season basis, so I think we're really coming to the end of the sponsorships that are in place and it will be important for new ownership to have a longer-term agreement.

Saltzman: Does that include the naming rights for p.g.e.?

Bergman: Naming rights is actually a longer-term agreement than that.

Logsdon: It's a 10-year agreement. It's good through 2010.

Adams: Are we going to hear from Jack today? Have you signed up? I'd like to --

Leonard: I'd like to ask a question when you're done.

Adams: Could we also see the financial forecast for the year ahead? So the year -- the season ended, what you forecast for the year ahead.

Bergman: Sure.

Adams: Assuming that the current operator, the league, is the agreement to the rest of the season. And what does that forecast show? Is it going to show a break-even on operating expenses?

Bergman: It will be close to break even. It will be probably be a slight loss, but --

Adams: Ok. But you're getting closer to break even?

Bergman: Yes.

Adams: Ok.

Leonard: You know, I've contacted your office to talk about the p.s.u. negotiations, and I'm thinking it's my schedule that's caused that not to happen, but I do want to go what the status is of the negotiations with p.s.u. My information is that the discussions weren't going well.

Bergman: The one-year agreement essentially requires the operator to have an agreement with p.s.u. For the use of the stadium at reasonable terms. If they're unable to reach those -- agreement on what that is, it's an arbitratable issue between the city and the arbitrator.

Leonard: Like I said, I heard they weren't going well. Sounds like you're confirming that.

Logsdon: I think one of the issues there, commissioner, is that the -- the new management team is still in transition. A new general manager that will be Portland-based, and will be the person in charge of the business here, is starting this week, and so I -- I will -- as soon as I know he's here, I will put a call into him, encourage him to start that dialogue with Portland state. I think part of the -

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- perhaps the lack of communication has been kind of a slow ramp-up of the local management staff.

Leonard: Ok. But i've been contacted by Portland state. They are part of this community. And to have happen what they suggested could happen would be intolerable.

Bergman: Right. We've definitely communicated to the league that having p.s.u. play in the stadium is a community interest, and it is important for the city to ensure that that happens.

Adams: Could I just make one other --

Leonard: He does --

Adams: I'm sorry. Before you chat, just for these two, and then i'm very interested in hearing from -- hearing about your plans for the season ahead. In terms of the negotiations with the potential new ownership, it's really important, at least for my vote on the city council, that you have a group of outside, impartial experts, that give me a second opinion, in addition to your own good work. I think you've been doing good work on stabilizing this project, but it's important to me that you have run those negotiations by a group of five -- at least five folks that don't have any vested interest in and can provide the council with the second opinion that you have achieved the best possible agreement and the most sustainable agreement we could possibly hope for. The agreement we had before was on paper a great agreement, but clearly not sustainable. And not with a partner that was worthy of our partnership.

Bergman: Ok.

Jack Cane: Jack cane. To answer commissioner leonard's question about Portland state, my replacement, I was acting general manager, supposed to be for two months, and it turned out to be 13. But my replacement had breakfast with Portland state this morning. I just called, talked to him on my way here. I said, how did it go? He said great. He said -- I think they had good dialogue. Nothing's finalized, but I think that they're proceeding. And so I think that --

Leonard: I'm sorry I don't know this, but just the perception that I have, correct me if i've got this wrong, is that there may be those that are involved in negotiations that don't necessarily understand the ties p.s.u. has with the community as opposed to those of us that are --

Cane: That are from here.

Leonard: I was quite surprised at your comment that things weren't going well, because I didn't know there were negotiations at this point.

Leonard: I was contacted by Portland state saying they were on the verge of having to relocate.

Cane: Those comments are totally -- I knew nothing of those. And I --

Leonard: I passed them along to the gentlemen on both sides of you some time ago, a month ago, six weeks ago.

Cane: Nothing has been said to me from anybody at Portland state.

Leonard: I asked to me to follow up on it, and i'm sure it's because of my schedule. But it's in the back of my mind. I'm frankly worried, I don't want to wake up to read the paper and see that Portland state is out in hillsboro playing football.

Adams: That would be bad.

Cane: My role would be, as a senior advisor with the club, as you know -- I don't know if you remember, but we served on the viking club board together.

Leonard: Yes, I do.

Cane: So my ties are pretty close to Portland state also.

Leonard: Good.

Cane: I'm not concerned that -- that there'll be any problems.

Leonard: Ok. I'm glad we had this conversation, then. You've heard, then, the issue.

Adams: So what are your plans for the season ahead?

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Cane: Well, you know, and I think one of these two gentlemen mentioned, we added quite a few people on our staff. We've gone from about 20 people full-time staff to I think 39 right now. Most of those people being in the sales area, which is a -- I like, because that's revenue-producing.

Adams: Yeah.

Cane: So we're looking forward to a good year.

Adams: Are you getting adequate support from the league, the owners, on marketing? Are you getting enough money to market?

Cane: They've pretty much, in the past, left that to me. And, you know, if money's there, we've been able to use it. Like I say, we've doubled it -- almost doubled the staff, and they're willing to do that, that they see the need that we need to sell more tickets, more sponsorships, and --

Adams: So you're phasing -- forgive me, I don't know, you're phasing out as the local manager?

Cane: I'll no longer be the general manager. That was a temporary thing anyway until they could find somebody to replace me.

Adams: Well, thanks for all your good interim two months. That's great. Really appreciate it.

Cane: I will still be involved, like I say, as an advisor. Hopefully most of that advice can come over my cellphone, you know.

Potter: Any other questions? Thank you.

Adams: Thanks.

Potter: Karla, is there anybody else to testify?

Moore: Yes. A hal Saltzman and jack elder.

Potter: Who's the second party?

Moore: Hal Saltzman and jack elder.

Potter: Please come up front, sir.

*******:** Mayor Potter, council, good morning. And i'm here to protest the relationship with the pacific coast league.

Potter: Could you state your name, sir.

Hal Saltzman: Excuse me. My name is hal Saltzman. I'm retired. I'm going to be 80 years old in about six weeks. And I expect the respect for an 80-year-old.

Adams: Can I get you a glass of water?

H. Saltzman: Even if my kids don't do it.

Leonard: Spoken like a true Saltzman.

Adams: Is there any relation?

Leonard: I don't know.

H. Saltzman: I'm here because i'm interested in baseball, but more interested in the welfare of the city. And when mayor Potter, when you asked how are the children, it kind of brought back memories to me. In 2003, I was in the lap of luxury, and I was in a discussion group, and my discussion one week turned out to be hunger in the u.s. And I got a lot of study material, and it turns out Oregon was number one. And I went through the roof. I called steve schneider who worked for the governor, who was a roommate of my oldest son, and I says, is this true? He says, absolutely. Before I went through the roof, he said, if you want to do something about it, why don't you meet with some names. He gave me some names. And it ended up, I met with people in the nutrition department of the school board. At that time they continue have the funds to pay for refrigerated trucks to deliver to all the locations. And this was just astounding to me. So I found out how much money they needed. I called a few of my friends, we all pitched in, and they got the trucks. But the thing that got me is I studied a map of the city of Portland and the schools that qualify for the free lunches. And you have to have 50% more poverty level, poverty families, and i'd say 80% to 90% of the east side comes under that category. It was just shocking to me. And so I -- i've had a motive for helping to get income for the city wherever it's needed. And every time I pick up the paper, I see you need money here, you need money there. And there's shortages. Well,

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this brings me to the point of why i'm here. The city has been a victim of what I will call extortion.

The coast league has a sweetheart deal with some of their directors, where bring bye they -- where by they exclude anyone else. What really gets me -- first of all, I got to tell you, last february, irv levin, very fine businessman, community servant, and I were going to try to buy the team. We called branch ricky, told him we had some substitutions for a couple days. And after a couple days, didn't hear from him. So when I called him, he said, well, i've been too about negotiating. I've got five buyers. And I said, well, I said I was very disappointed, but it was kind of a wake-up call for me, because i'm not in the habit of having negotiations with someone and then kissing them off without any explanation. And that's what happened. But getting back to the coast league and who they have the arrangement with now, i'll go into it, because i've arranged some questions which may help you understand the situation. Before I do that, I just want to tell you that on february 14 I had a very nice meeting with three members of the budget and finance committee who I think are trying to do a good job, but really have their hand tied because the p.c.l. Has not been willing to throw open the bids for the city. And anyway, I gave them a very detailed copy of my resume, which dealt with business experience, military service, and my education. They can give you a copy of that if you want to see it. Anyway, excuse me, I got to wear this glass. This eye I had a cataract removed. So I got one good eye and one not so good. I've developed some questions that may -- and with the answers that may help you understand the situation and why i'm quite concerned about this. First question -- who is the group from the p.c.l. that's had the benefit of a free option on a proposed p.g.e. Park lease for many months, going back to about august. Answer -- this is a small group of directors of the p.c.l. Executive committee that is controlled by the principal owner of the sacramento baseball club by the name of art savage. Two, has the city of Portland ever been given a list of the shareholders or partners of this -- of this identity that i'll call sacramento group? And up till yesterday, the answer was no. But I found out yesterday, about a week ago they got a list of 12 names with no real information, just 12 names. The next question, has the city of Portland ever received a financial statement from the sacramento entity? No. And this is kind astounding to me. First of all, they've had a free option on a piece of property that's probably worth \$40 million. It's considered one of the nicest ballparks in the country. And anyway, going back to my first talk with -- with rickey, and I should have woken up a little earlier, he told me that the -- they've eliminated some people from becoming owners in the coast league. And I said, who are they? He said, well, the goldklang group is one and the brett brothers are another. Now, the goldklang, I didn't know who they were, but george brett and his brother bobby, george brett is a hall of famer. I don't know how much you guys know about baseball, but he was a great, great player and now in the hall of fame of baseball. Here they're being excluded --

Potter: Excuse me, mr. Saltzman, but i've given up you more than three minutes.

H. Saltzman: How much time do I get?

Potter: Everybody gets three minutes to come up and speak, sir.

H. Saltzman: Pardon me?

Potter: Everybody that gets three minutes to come up and speak. You've had five or six minutes.

H. Saltzman: I wasn't aware that there was a three-minute limit.

Leonard: I wonder if I can interject. Have you met with mr. Bergman? This is hitting us, and I don't think we're grasping some of the points he's making. Are you familiar with what he's suggesting? Will it help for you to meet with him again and talk?

Bergman: Certainly could. We can certainly do that.

Adams: Fundamentally this is a dispute between you and the league, mr. Saltzman.

h. Saltzman: Pardon me?

Adams: Fundamentally, this is a dispute between you and the league?

H. Saltzman: Not me and the league.

Adams: Ok. Do you have a dispute or an objection with the city?

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H. Saltzman: Well, I have this objection. The city owns the stadium.

Adams: Right.

H. Saltzman: The city is in the driver's seat.

Adams: Right.

H. Saltzman: But instead you put the p.c.l. in the driver's seat. And I think that's unfair, especially to the city. Let me get to the crux of it. Part of the present lease calls for them to pay \$500,000 a year term rent, plus 6% tax, and pay the -- pay the \$800,000 of owe oaf delinquent rent. I have talked with only two owners because one of the other possible owners was threatened by sanctions by the coast league. But anyway, at least one has written the city council last august, that they were willing to pay \$150,000 to \$200,000 a year, and with their marketing group they would build up the marketing. Last year was \$220,000 for baseball. These are people. And \$70,000 for soccer. This is disastrous. When I played for the beavers in 1949, we drew about 400,000 with a seventh or eighth place team, and the metropolitan population was about 25% of what it is today. So i'm asking you, not to give into the p.c.l. It is your stadium. It is the city's stadium. It's \$40 million asset. And you haven't gotten a dime for the options.

Leonard: I just want to interject. I have a sense that you're telling us something that's significant. We don't have the time here to sort that out. But I would like to have you guys meet with mr. Saltzman and --

H. Saltzman: I've met with them. They say it's up to the council.

Leonard: Well, I would like to have you meet with them and then --

H. Saltzman: You talking about the budget committee?

Leonard: These two gentlemen behind you.

H. Saltzman: Yeah. I'd be happy to.

Leonard: Because i'd like to follow up on this.

H. Saltzman: Ok. How soon?

Leonard: As soon as you meet with them.

Adams: And my interest is -- in this, and actually i'm going to formalize my request a little more, is that i'd like you to come up with that outside impartial group of experts and bring that -- the group back to the council if there's support on the council for this for endorsement. My experience over the years in dealing with baseball stadiums and sports teams and everything else is I have a lot of people who have talked to me over the years, and this is a pretty specialized niche in terms of business operations, and i'd like some outside review to supplement the staff work that's under way. But basically you're asking us to deny the extension of this operating agreement until the league is more responsive to your overtures for a possible purchase or --

H. Saltzman: No, no. I'm not interested anymore. I don't want to deal with these people. Neither does my partner.

Adams: Ok. But what?

H. Saltzman: What i'm interested in is getting the best deal for the city.

Adams: Right.

H. Saltzman: You know, i'm -- i'm -- I don't know what they call people that do all these good things. Anyway, that isn't part of my goal, but --

Adams: Do-gooder? Philanthropist?

H. Saltzman: No. Another word. Wayne, the point is, the city needs money. And also, one of the parties would sign a minimum 10-year lease. And so over that 10-year period it would bring in \$2 million or more. And here we're sitting with a group in sacramento that it's an inside deal --

Adams: But we have to sign off on it the city has to sign off on it.

H. Saltzman: You don't have to sign with them.

Adams: No, but the city has to sign off on an operator.

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H. Saltzman: San diego is the club that's the operator. And things can be done so quickly. I can get you three parties that are all financially sound baseball experience and so forth to come in and give you their deal like in 24 hours. But the coast league has not wanted it because the man that is representing the new venture is one of the directors, and he's set himself up as a consultant for the new group. Now, why did he set himself up as a consultant?

Potter: Ok. Thank you, mr. Saltzman.

H. Saltzman: Well, thanks for cutting me off, too. Appreciate it. Any other questions?

Leonard: You were given a lot more time than most people.

H. Saltzman: Well, I don't know, I sat here for over an hour listening to other people.

Leonard: The mayor was very patient.

H. Saltzman: Well, I hope it got through to someone.

Potter: Sir, please state your name. You have three minutes.

Jack Elder: My name is jack elder. I represent a soccer and sports development and management company. We are here because of the agenda item. We neither oppose nor support the agenda item. We do, however, strongly urge the council to establish a criteria for the public process of selecting a long-term operator. We are interested in that. And we would like to be involved in that process. But we'd like to see it begin immediately so there's no rush to judgment later in the year. Our basic philosophy in our company is that we believe that p.g.e. Park, the stadium, has -- while historically it's been a marvelous baseball park, that it was built and designed as a p.c.l. stadium that seated 15,000, 20,000, 25,000 in baseball. That paradigm has changed. The p.c.l. doesn't attract 10,000, 20,000 people to a game anymore. It just doesn't happen. That's the old p.c.l. we believe that the stadium needs to be used as a field stadium first, that it be used for soccer, football, rugby, field hockey, that its primary purpose and setup be in that stage. And that it also have a baseball tenant, but currently what you have right now is you have baseball, which is not attracting as many people per game as they did, and is dominating the use of the facility. And basically anybody who comes in is a field team -- as a field team has to take the second position to the stadium. That's what our concern is. We're also concerned that any contract is that signed with the short-term relationship, that the interim management for this one-year time period, that they don't sign any contracts that carry over into the future when you select a long-term contractor, such as a food purveyor, something along that line, that tie the hands of the future. I believe that just about sums up what we're interested in. We are pursuing a soccer team for this city. And we are contacting m.l.s., finding what their position is. We're setting up arrangements with an association with a mexican major soccer league team. And we are just in negotiations right now and finishing up. You'll hear more about it in the future. But we felt we just had to be here today and state our concerns.

Adams: So there's a real possibility for major league soccer out of mexico coming to Portland?

Elder: There will be an affiliation with a major league soccer team out of mexico. And it would have to be approved by amls, and they would establish the franchise, but nevertheless we would be the operating management partners.

Saltzman: I have to confess my ignorance about soccer, but I thought we had a team in the timbers.

Elder: You do. But it's not an mls team. It's not unusual to have multiple levels.

Saltzman: Such as?

Elder: Baseball is affiliated, majors to minors and so forth. Same way in soccer.

Saltzman: You mentioned your problem, the priority of baseball sort of over other field sports. Are you referring basically to the fact that baseball games have a schedule and that schedule takes priority right now over --

Elder: No, no. I think it's more of a philosophical management. Baseball really is concerned about baseball. And everything else might get in the way of baseball at times. So baseball is the

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priority. I think the stadium, or we think the stadium, should be a field stadium in priority with a baseball tenant.

Saltzman: Uh-huh, ok. Thanks.

Potter: Any other questions? Thank you, sir.

Elder: Thank you.

Potter: It's been requested that we pull this item for a week to have some discussion, and then bring it back next week. Is this going to impede --

*******:** Not a problem.

Potter: Ok. Do we need to vote on that, ben?

Ben Walters, Office of the City Attorney: No.

Potter: Is that ok, folks?

Adams: If I could mayor, if I could just clarify, if you could get us the books from the last season, the financial forecast for the year ahead, the selection that you're using, if you have it, for the negotiations with p.c.l., and I don't expect you necessarily to have the outside experts chosen by next week, but at least speaking to mr. Saltzman's concerns, if you could also report back to us --

Bergman: I can help clarify what his issue is.

Adams: That would be great. I'm happy to help commissioner leonard in terms of discussing his concerns.

Leonard: Right, because I -- my sense was somewhere there's a point -- my sense was somewhere there's a point, because I heard independent of this discussion other concerns that he touched on, that i'm frankly not as familiar with as i'd like to be, and so i'd like to understand better the issues he was raising, and it would be great if that was done by next week. If we could also cat put the p.s.u. negotiations, that will make me feel a lot better so will have some finality by next week, that would be good.

Adams: As I understand it, mr. Saltzman, fundamentally you're concerned that p.c.l. Is weeding out good ownership options before they even get to us, and I would like some assurance from not just our staff, but also from p.c.l. That indeed they're not -- that they're not doing that, that they do have an open process, and that any ownership interest out there, I think the city council is interested in hearing from. Independently of their discussions with p.c.l. this decision is a two two-part decision. P.c.l. has to approve it, but we have to approve it as well. If there's any concerns that p.c.l. is telling potential buyers no that we might be interested in saying yes to, I want to know that, and I appreciate you raising your concern.

Saltzman: I just would add, I sense part of the issue, as mr. Elder just said, baseball is about the issue of baseball, and there's also factions or clans within the baseball realm, whether it's major league owners or a.a.a. owners, and some factions who dominate the p.c.l. don't want to entertain options that my uncle is referring to, but they don't want to let them into this particular clan, and that's the issue.

Leonard: Well, that helps me understand a lot better, because my sense was -- sorry, mr. Saltzman, I didn't get that, from what you said, but I did sense that there was something to it, that i'd like to --

Saltzman: Those of us on the council, we all received correspondence. I believe it was from the goldklang group, outlining a generous offer of what their ownership would look like and how it would benefit the city, but the trouble is that p.c.l., you know, you know, to be quite blunt, with the branch rickey family and the goldklang family don't get along or something like that.

Adams: Goldklang is independent baseball.

Saltzman: We could let the goldklangs in, and the p.c.l. could say great, but you're not playing p.c.l. teams. Those are issues we need more edification about, perhaps next week.

Potter: Yes, sir.

H. Saltzman: A few days after goldklang made that offer to the city, they got a letter from the p.c.l. attorney, threatening with tampering charges. And that's pretty serious in baseball. And I

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don't care who it is, i'd like to get the best deal. And that's all i'm interested in. Every day you turn it around -- you know it, mayor, you've got demands for funds that are hard to get. And here's a chance to pick up a couple hundred thousand a year or more, by having someone more capable, and the people i'm talking about are more capable. Thank you.

Potter: Thank you. Item has been set over to next week. Next is item 133. Karla, please read the item. Commissioner Saltzman, would you like to handle this?

Item 133.

Potter: Commissioner Saltzman would you like to handle this?

Saltzman: I'd be delighted to. This is very good news today. In 2001 the city council, among other things, created the office of sustainable development, established a green building policy that requires all city buildings, or those projects that receive substantial public funds, to meet minimum green building standards. And the city council also established a one-time \$800,000 green investment fund to invest in innovative energy efficient green building projects in the public and in the private sector. In the ensuing years that fund has been spent to do a number of great projects. I believe the station place project that commissioner Leonard and I were just at a couple weeks ago is using rainwater harvesting to flush the toilets of the first six floors of that facility. P.S.U. has built a dorm that has an eco roof and also is using rainwater to flush toilets. We have buildings using solar electric cells. A lot of innovative projects that has occurred. And Portland has more leed-certified buildings than any city in the country as a result. I'm not totally as a result of this money, but certainly this money has helped to innovate. It's an innovation fund that ran out of money. Last year the city council under the leadership of the sustainable development office and my office, we worked with the water bureau, the bureau of environmental services, offices of sustainable development, and the mayor's office to come forward with a proposal that would replenish the fund with about -- to make it a five-year fund now of about \$1.75 million to again promote projects, public or private sector, that are innovative with respect to energy efficiency, water efficiency, resource efficiency. And the good news is the energy trust of Oregon, which is a nonprofit organization, has -- likes our plan of approach, likes our green building fund so much that they are here today to announce that they're going to contribute some money to our green investment fund as well. I'll stop it right there.

Rob Bennett: Good morning. Rob Bennett with the office of sustainable development. Commissioner Saltzman sort of got to the punch line a bit for this contract, but the news is good, considering that you're in the midst of budget negotiations and it's a difficult time, the fact that we've been lucky enough to partner with the energy trust to bring an additional \$300,000 for the next two years with the hope of extending it for the following three years to create this \$2.5 million total green investment fund is very encouraging. Just wanted to make a couple points. The slide that's up are -- is the results of the first \$800,000 investment. Just to give you a little context of the first year's work with the green investment fund. It was initially an \$800,000 fund funded through the solid waste reserve fund. We spread the funds out across affordable housing, a small chunk to residential projects, with a different amount toward commercial and emerging technologies. What's important here is, one, we spread a lot of small grants out to the business and development community, and even some homeowners, with the thoughts of creating a pipeline for projects and creating a great deal of interest and capacity in green building. And we think it's worked quite well. They were mostly small grants, but you can see the results. 27 projects in the commercial mixed use area alone, which is over a million and a half square feet. So a little bit of money is leveraging very large, significant development projects. Commissioner Saltzman mentioned a few of those. Others include some of the work down in south waterfront, the brewery blocks. And then system of our east side small business district infill projects as well. We also had an eye toward affordable housing, mentioned station place. The new tries to extend one the notion of a partnership one with

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the bureau. Instead of one funding source we've creatively partnered up with all the conservation bureaus that provide conservation services to the community, and the energy trust of Oregon so.

*****: We're spreading and leveraging the money, in an effective way. Two, I think this is a real economic development tool. We don't see our green building program simply as a conservation program, but it's a way to really stimulate the sustainable industries sector of our economy. And again, a small investment from the city is paying off dividends. We're seen as a leader in green building. So we think it's an investment worth making. How it's going to work this time around, learning from the past, we're going to have larger grants to more significant developments. What we see -- what we've seen in the past is that we're -- with the smaller grants we're getting a fair amount of innovation, but we want to get more innovation. We're going to have a more rigorous monitoring and evaluation process so that we can understand what the energy savings, what the water savings are, create really nice and robust case studies. And we're going to focus a fair amount on upfront design portion of -- of this, because that's where a lot of the decisions get made. Since this is a small amount of money, we have to split between the bells and whistles and actually adding to the -- to the -- to the actual hard costs of the project, but the upfront costs is where we'll get the efficiencies to get widespread application. We're looking at in applying as an online registration with a rolling application process. We just allocated the first fiscal year's funding for \$500,000. We've got 30 applications -- 30-plus applications, some very exciting projects, a lot of vacant land infill in the inner east side in particular. So we're really thrilled that this is a good tool. It has benefits from an economic development strategy and obviously great conservation benefits and continues to put Portland in a leadership position in the city.

Saltzman: Thank you.

Jan Shaffer: Hi. I'm Jan Shaffer with the energy trust of Oregon, communications and marketing director, here to tell you how thrilled we are to be invited to be a partner of the office of sustainable development on the green initiative fund. It's not the first of our partnerships. We have several under way. One of which has put cells on two fire stations, the very first buildings that the city owns to have solar power coming to it. There are several others. We figure by partnering with O.S.D. on this program we're going to assure that the city's best examples of high-performance buildings integrate the newest technologies and design strategies for incorporating energy efficiency and renewables into the design and we'll work to communicate the success stories statewide and spread the opportunities taking root here around Oregon.

Adams: Who are you with again?

Shaffer: Energy trust of Oregon.

Adams: Great. Thanks.

Potter: Questions? Thank you very much. We really appreciate that. Council ready to take a vote? Karla, please call the roll.

Moore: No one signed up, but I don't know if anybody in the audience wants to testify.

Potter: Oh, sorry about that. Ok, Karla, please call the roll.

Adams: I just want to, in voting yes, I just want to laud the leadership of commissioner Dan Saltzman and the great work of O.S.D. and great partner we have on the state level. And this is fantastic. Vote aye.

Leonard: Aye.

Saltzman: Well, I think it's great that we have this green investment fund for another five years. I think it truly has established Portland as a leader in this arena, and I think those dividends ever are -- are starting to pay off in many ways. Our professional service sector is becoming adept in providing these services. Our goal is to make sure we have the jobs that make the stuff that go into green buildings located here in Portland. Toward that end, I know Mayor Potter in his recent trip to Japan, met with a photovoltaic manufacturer, and is interested in establishing a sales office and later down the road a manufacturing office here in Portland. So I think all the types of things we do to

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make sure that we're doing right by our environment, but also structuring an economy that -- that works more in harmony with our natural environment, doing it through innovative things, green buildings, high-performance buildings, whatever you want to call them, these are all the right steps, in the right direction, both for our economy and environment. Good work. Aye.

Sten: I want to thank commissioner Saltzman for staying strong on this and pushing it. It's terrific working with you. I've been up on the fire station roofs, and the cells are there. They're working. And it's a big deal. And we're going -- I flipped the switch. We'll have a report on the progress, actual progress we're making on global warming in this community coming up. I think it not only shows there's a different path available to communities that want to, it shows how much, I think, each of these efforts add up, bit by bit by bit. And the sophistication of this project right now, rob is terrific. It's really great. I want to just underscore wholeheartedly what commissioner Saltzman said. I think the next step for us to is to integrate this kind of work into our economic development strategy, so it isn't just about doing the right thing, it's about doing it in a way that we can actually build the economy here. That's when we'll actually tip this and get to the point where all of our projects are sustainable. Great work. I hope you're getting something significant done. I believe you are. Aye.

Potter: And I wanted to thank commissioner Saltzman as well. When I first came here, I talked to all the bureaus, and I was really impressed with the office of sustainable development, how they're able to not only promote green development, but to leverage the minuscule amounts of money that the city nests with -- investments with public investment from groups such as energy trust of Oregon. And so I -- I think you folks are using green internally as well to make the most of the green we give you. So congratulations. Anyway, I really like this kind of thinking. I think as commissioner Sten said, this has got to be part of our economic development strategies, not only locally, but regionally. In my trip to Japan I found there was interest, at least by one company, to come to Portland and establish a north American presence here, because of what they saw at the green build conference this last fall. So good job to you, and to commissioner Saltzman. I vote aye. [gavel pounded] Karla, item 135-1.

Moore: 133-1.

Item 133-1

Potter: Excuse me. I don't have my glasses on. Staff.

Moore: We need a motion to suspend the rules to bring this in.

Saltzman: I would move to suspend the rules.

Leonard: Second.

Moore: Did staff want to say anything?

*******:** No. Just here to answer questions.

Potter: Ok. Is there anyone signed up to testify on this?

Moore: I did not set out a sign-up sheet.

Saltzman: I guess the reason this was set over last week were there some issues about the payment of the city business license fee. Have those all been satisfactorily resolved?

*******:** Yes, they have.

Saltzman: So they are in full compliance?

*******:** They are.

Leonard: Thank you.

Potter: Ok, is council ready to take a vote?

Adams: Yes.

Potter: Karla, please call the roll.

Adams: Let this be an example to our other contractors. I vote aye.

Leonard: Aye.

Saltzman: Aye.

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Sten: Aye.

Potter: I'm glad i'm not the only one doing it this morning. Thank you for sharing it with me, Karla. I vote aye as well. [gavel pounded] this is our last item for this morning. We're recessed until 2:00 p.m. this afternoon.

At 11:47 a.m., Council recessed.

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2:00 PM

Potter: Karla, please call the roll. [roll call taken] [gavel pounded] Karla, please read the item staff, please come forward.

Item 134.

*****: We wanted to show that not everything the planning bureau does is controversial.

Potter: You've certainly succeeded.

Adams: Mission accomplished.

Leonard: I saw signs and related regulations, I thought it would be packed.

Cary Pinard: That's right. I'm Cary Pinard, and this is Phil Nameny from the planning bureau. We do not have a powerpoint to allow more testimony for and discussion. The transition package is the latest project under the regulatory improvement work plan, and that goes by the acronym -- well, by the abbreviation r.i.w. we'll have to figure out what to say for that, Sam.

Adams: I'll work on that.

Pinard: Ok. Including this project, the planning bureau together with b.d.s. has completed approximately 150 code maintenance amendments, about 90 minor policy amendments, since the regulatory improvement work plan was begun in 2002. In October of last year, we came before the council to present our progress report and process update, which we have a copy of, which provided the status of the previous work plan items and illustrated or changes to improve and streamline the process of identifying and selecting future work plan items. The features of these proposed changes include, first, an establishment of database to track and sort regulatory suggestions. Second, the establishment of a stakeholder group to review requests. Third, a combination of code amendments and minor policy issues into one package of amendments instead of doing them separately. Fourth, planning commission review and approval of a priority list and a proposed code amendments the city council will provide legislative approval for the amendments and receive regular updates on the program. So the first two of those items we have already established, the database and stakeholder group. The stakeholder group will be reviewing issues for future work plans. In the interim, several minor issues have come up from internal stakeholders and through conversations with the public. The regulatory improvement transition package, which is this, includes issues to bridge between the old method and new method. Phil is going to provide you additional information on what's in this transition package.

Phil Nameny: Thanks, Cary. Thanks, Mayor and the commissioners. The regulatory improvement transition package is a small package by design of about 20 amendments. The package does test the feature -- one of the features that Cary mentioned, which is to combine code maintenance items along with minor policy items into one package. For the most part, it contains just technical clarifications, usually done in code maintenance packages in the past. The package does include four items that could be considered minor policy changes. And there's a summary of those on page ii of the report, near the beginning there. We did have an initial list that we worked on to consider, that list is in the appendix in the back of the report. Most of those items on that list were then addressed in this package. However, there's some initial issues that were either deemed to be more complex than we intended for this package or there were issues that we were able to find a nonregulatory solution, and so they do not appear in this package. We did public outreach by sending a notice to over 1200 individuals and neighborhood groups, including those interested in the regulatory improvement process, as well as those who had been interested in the Gateway East corridor planned district, because some of these changes affected that -- those planned districts. We held an open house, and we also went to two of the citywide land use group meetings to see if they had any concerns. And we have discussed this package with the recently-assembled regulatory improvement stakeholder advisory group, which is the -- or stakeholder advisory team actually, which is going to be the team that's going to help review future amendments. There's only one item

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that generated any testimony at the planning commission. That issue concerned the limits on retail uses in the northwest corner of the river district. After hearing the testimony, the planning commission amended our proposal to provide a ceiling of 50,000 square feet per retail use with a conditional use review. The recommendation appears to have satisfied all sides on that issue, so basically we do not anticipate that there's going to be any testimony on this item. Page ii provides a planning commission recommendation, which i'm just going to read, just to put in the record. And basically the planning commission recommends that city council adopt the report and the ordinance, amend the zoning code and the sign code as shown in the report, and direct staff to continue any monitoring effects as necessary. That concludes our presentation. And Carrie and I are available to answer any questions or explain the issues in more detail.

Potter: Any questions, folks?

Saltzman: The 40,000-square-foot was allowed outright without a conditional use?

Pinard: Yes. The way the code is today that's being proposed to change, up to 40,000 is allowed outright, and over 40,000 is prohibited. So we wanted to allow some leeway for retail uses that were slightly over 40. So the proposal coming out of the planning commission is that up to 50,000 would be allowed through a conditional use review.

Saltzman: And that satisfied neighbors that were involved?

Pinard: That satisfied the neighborhood association and representatives of a proposed retail use that's looking at going in there, that comes in at about 47,000.

Nameny: Yeah.

Saltzman: Ok. Thanks.

Potter: What was the issue about the schools allowing certain --

Pinard: We have made over the years some -- we've loosened up the rules to make it easier to do minor changes to sites that are in a category called conditional use by right instead of every little change, every little addition having to come through another conditional use review. We've been making most of those changes in the conditional use chapter. We have often another part of the code, the school and school sites chapter that had person rules just for schools, but they're basically a kind of special conditional use. So part of this cleanup was, oops, we should make the changes that allow minor changes to go through more by right and have that same group of things apply to schools as well as the other conditional uses. So it was a consistency correction.

Potter: Yes. Thank you. Other questions? Thank you very much. Karla, could you start with the folks who want to testify, please?

Moore: Ok. Come up three at a time.

Potter: Thank you very much. This is a nonemergency item, so it moves to next week.

Moore: Yes, we're going to move it to the morning session at 9:30.

Potter: Thank you very much. Since this is our last item for the afternoon, we'll recess until 2:00 p.m. tomorrow afternoon. [gavel pounded]

At 2:15 p.m., Council recessed.

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2:00 PM

Potter: Karla, please read the roll call. [roll call] [gavel pounded]

Potter: I need a motion to pull item 136, south waterfront ahead of item 135. We're reversing the order of those two ordinances.

Saltzman: So moved.

Adams: Second.

Potter: Please read item 136. Ok. You're it.

Item 136.

Troy Doss: Troy Doss, Bureau of planning. I guess i'm it today. We have brought back exhibit d, which is the code and commentary as amended by council last week. This is the second reading on that. We will bring back, just so you know, there was a motion also for us to create a new resolution to deal with neighborhood amenity issues. We're working on that currently. We're going to be coordinating with the other bureau directors, because there's quite a few to deal with. We hope to have a resolution back before you within a month.

Potter: Give us a chance to look at this.

Doss: Sure.

Potter: Could you tell us the changes you've made to exhibit d?

Doss: The most notable change would be, if you go to page 7, last week's exhibit b contained an alternative code language. There was one that said that modifications would not be allowed to the 200-foot separation requirement. Council decided to go with the alternative language that would allow modifications pending the development of the urban design and development framework, which is something that we're working on over the next 12 months. So in the interim period, if someone were to come in and ask for modification, they would not be granted that because the framework doesn't exist. So it gives us time to do that right.

Saltzman: It was estimated it would be about a year to develop that framework?

Doss: Exactly.

Potter: Ok. Any other questions from the council? Do we have folks to testify on this?

Moore: This is a second reading. If i'm correct, those are already passed and moved on last week.

Doss: Exactly.

Moore: Ok.

Potter: Ok. Thank you very much. Karla, call the vote.

Adams: We're voting on the whole package, right?

Doss: Exactly.

Adams: Ok. I want to thank mayor tom Potter for his leadership on this issue, and taking it back into his office and involving additional -- involving neighbors and concerned stakeholders, and additional work on this. I think it has made for a better ordinance, and I especially like the part about the -- in the next year we'll have the completion of a master plan that will speak to the actual more clarity on the actual placement of buildings and towers, and the public involvement that goes along with that. I think that is a significant improvement over what came in here originally. And i'm happy to vote aye.

Leonard: Aye.

Saltzman: Aye.

Sten: Aye.

Potter: I just wanted to thank all the people that were involved in this. It was -- for a new mayor, it was one of the interesting things, and I really appreciate the involvement of our neighborhoods and their willingness to work with the developers, and I was very impressed with the willingness of the developers to meet with the neighborhoods, because at the first meeting of council, the vote was

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4-1, so they didn't have to do that. And I appreciate them taking the time to do that. And obviously the planning bureau's effort to coordinate and sometimes mediate this as well as people from the mayor's office. So I think it's a good start, and i'm hopeful for the creation of -- what is it called? The urban design and development framework. And i'll be watching it very closely to make sure that our citizens play a strong role in that, and that the product will be something that I think will benefit all Portlanders. So I vote aye. [gavel pounded] ok. Karla, please read item 135. Sylvan-highlands.

Item 135.

Potter: I have to explain something on this. At the end of the last hearing on this, we did not provide opportunity for all the supporters to testify, and the appellant did not have time to rebut the testimony. So we are going to include people from last time so that they would have an opportunity to testify so we can close that part out before we proceed. Could you read the names, Karla?

Potter: I wanted to apologize, if you were here last time, that we did not include you last time.

*******:** Thank you. I understand that was getting quite long, and you needed to move on.

Potter: Please state your name.

Barry Smith: Barry smith, 715 southwest morrison street, suite 909, Portland, 97205. Before I start i'd like to tell you, what a beautiful day. The last couple days in Portland are unbelievable. I know we're supposed to worry about the water, but i'm usually sad this time of year, and the sunshine has been good for me. I'm the representative on a land use case, almost adjacent to this property, a zoning map amendment, although i'm not here regarding that case today. I've known the pollocks for many years, i've worked with them for over 10 years. I came to oppose the appeal today and last time because of the few -- because of a few concerns. We look at several different proposals, and you might even see another one today about reconfiguring the site. And I appreciate the council's wanting to think outside the box and try and come up with more innovative ideas that kind of mediate between the developers' desires and the neighbors' concerns. The staff and hearings officers do think outside the box, and they do a very good job of it. The two schemes that you'll see other than the one that was approved by the hearings officer have some problems with it. One is I think that the scheme that the neighborhood association presented doesn't capture the views of mt. Hood that the other schemes would, and I know everyone all like views of --

Leonard: Our prior vote makes that moot.

Potter: Were you here to testify --

Smith: I am opposing the appeal.

Potter: The appeal of --

Smith: The five-lot subdivision on southwest montgomery and southwest 58th.

Potter: You're in the right place then.

Smith: The second scheme you'll see has some more driveway locations that will require some modifications to a state easement, which is also very difficult. And I think both schemes will also require adjustments to lot size, because the common driveway is required to be in a common tract. So my opposition to the appeal is not because of our lack of understanding of what the neighbors' concerns are about, but it's more of how do we begin to administer our land use process. And I have to tell you that as much land use work as I do as an architect, I have heard rumors that this council will hear almost all and any land use cases and work to mediate between different ideas about how growth should occur in our city. And i'm worried about the burden that it will cause to this council and to the uneasiness it will cause applicants and staff about what the right thing is to do. We look to the code for our rules and our methods for development, and if we can't rely on that, it gets to be very uneasy and difficult. And so i'm trying to say that the staff did think outside the box in this case. There are better solutions. There are always better solutions when the rules are suspended. And i've been through some cases where that's been very helpful. And in some cases

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it's warranted. But in every land use think I -- case I don't think that's necessarily true. Thank you very much.

Potter: Thank you, sir.

Adams: Were you here for the -- our last session on this?

Smith: Yes, sir.

Adams: Ok. So your concern is that we are not adhering closely to the rules of appeal and that the fact that we're not doing that causes unease in those people that are seeking to improve their property, or build on their property? Is that a fair summation?

Smith: Not necessarily the rules of the appeal, but the conditions -- the criteria for approval are pretty well set forth in our --

Adams: Fair enough. Criteria for approval. That we're straying too far from that.

Smith: Right. If we start saying -- the council starts saying you have carte blanche ability to suspend some of those rules, i'm afraid you're going to see many more land use cases than you normally would.

Adams: I just want to make it clear, I don't feel like I have carte blanche to suspend the rules, and was not operating in the last session with that framework in mind.

Smith: No. And i'm not saying you are, but i'm saying there's an impression that you will. And I think --

Adams: And i'm telling you that might be an impression, but it gives me an opportunity to clarify that's not the way i'm conducting myself in listening to this appeal.

Smith: Thank you. That's kind of my goal today.

Leonard: And I probably should speak to some of your concerns, because I think i've tried very hard here on a number of appeals over the last 21/2 years to see if we can't craft solutions where development occurs in a way that fits with what a neighborhood would like to see happen, and I hear your concerns on the other hand, some of the problems that I have observed have been not -- certainly not all the developments, but a small handful that use the rules as a way to blunt any interplay with the neighborhood that is going to have a development in it and can sometimes be fairly crude in how they explain that to a neighborhood, and I find that offensive. And so I do view our role here as being one of in some cases the final arbiter of what a neighborhood is going to look like, as it should be. And if we can within -- and I would agree with commissioner adams, I too do not think I ignore what the guidelines are. However, as I understand my -- it's up to me to interpret how a particular application fulfills those criteria. And I take that responsibility seriously. And I don't necessarily feel confined to what an advocate tells me my role is. I feel confined to what I think my role is based on what the law says. Using my best judgment.

Smith: I want to tell you in the last 21/2 years the -- and it's been rough, but in the last 21/2 years there has been a sense in the development bureaus of being more willing to work the edges to come up with more innovative solutions. And it was a hard time coming. When the first -- when it first started, this kind of new view, there were a lot of depressed people around, because they felt they were being questioned about their skills in the previous years. But we are getting projects through faster. We're getting projects through that are more innovative. We're getting staff cooperation that we've never had before. And i'm advocating for our bureaus, and our hearings officer processes, and I hope that the council has the ability, and I don't know how to do it, to continue to encourage those levels to do your bidding and make sure that they understand what -- where they need to go to make these things work out. I don't know --

Leonard: I just want to make a really important connection there for you. Because you've connected two dots that I don't think you're aware of. That creativity that you're observing on the part of the staff occurred because of directives from the council.

Smith: I understand that.

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Leonard: That didn't happen coincidentally 21/2 years ago with this other process that we're using with neighborhoods. It is the exact same approach.

Smith: I agree. And i'm trying to tell you of some -- what I hear, the rumblings I hear.

Leonard: Here's the point. The point is, there are good things and bad things that have occurred with this different approach, and you benefit from them in some ways by having an expedited process at getting a permit. The part you're saying you don't like is the neighbors have more influence on what ends up happening in their neighborhoods, and i'm saying that's part of the entire program.

Smith: I'm not saying -- I like neighborhood involvement. Before we even begin designing a project I talk to the neighbors. That's the way I conduct my work. And I think the neighborhood involvement is really creative, and it helps me problem-solve. I want to help the council get to a point where the staff can do more and more and understand what you all are looking for, and I worry about the appeal in this particular case, because I understand how complex a little case can be. And that's why i'm opposing the appeal, is that approving the appeal, supporting the appellant, would send the wrong message in this case.

Adams: Thank you, sir.

Potter: Thank you. Are there other supporters of the applicant?

Moore: Douglas pollack? This is for only those who signed up for the last time.

Potter: This is for --

Peter Hoffman: I'm peter hoffman.

Moore: Ok. You're on that list.

Hoffman: My input is going to be very brief. I am a neighbor of -- owner of a property that is a block away from this property, and I didn't hear all of barry's dissertation, but I do believe very strongly that the staff has made a fine recommendation, and I support it. I do know that the developer has also provided an alternative solution that I think that the staff has reviewed and pdot has reviewed, that all of the entities and the city are satisfied with. However, the neighborhood group is opposed to that particularly, just based on what I heard last night at their board meeting. I just want to send a message that I as a neighbor and owner of property one block away support the opposition of the appeal. I'll be back, i'm sure, because they're appealing my property too.

Potter: Is that all of the supporters for the applicant?

Moore: That's all who signed up the last time.

Potter: Then the appellant has five minutes to rebut anything from last week. Again, I apologize.

Douglas Pollock: It's quite all right. Mistakes are made. Douglas pollock, 179 southwest johnson, aloha. I am not going to speak to it at this time because we have taken your recommendation and have come up with an alternate. I feel it might be a lot more along the line of what you're looking for. I know the neighborhood association was contacted with regards to it, I don't know what their thinking is. So i'll wait and respond after we know what is going to happen.

Potter: Thank you, sir. At this time i'd like the staff to come up and present -- appellant rebuttal? I'm sorry. I apologize. I thought --

Sally Henderson: I'm sally henderson, 5200 southwest barnes road, Portland, 97221. And i'm speaking on behalf of the appellant, sylvan-highlands neighborhood association. And we were -- our board met last evening, and we were presented with an alternative plan from mr. Pollock's five row house proposal, and our board had an opportunity to review that. We would like to -- we were grateful for the fact that he proposed something that would mitigate the safety concerns that we had, and we would like to if possible reserve some rebuttal time if we need to for that part of it. We'd like to hear from the -- ok. Thank you.

Potter: Thank you. Ok now staff. Thank you for correcting me, staff.

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Fabio de Freitas: Thank you, mr. Mayor, members of the city council. Fabio defreitas. With me is kurt krueger from pdot. I'll keep this brief. Last time we were here at the end of the hearing you gave us a homework assignment to go back and work with the applicant to develop an alternative scheme that addresses some of your concerns that you had raised. And as sally mentioned, the applicant did submit us a plan, a variation of what was shown to you last time, and i'd like to go through that real quickly as Karla is passing that out to you. We sent this to you yesterday. This is a very slightly modified version. There was an omission on the plan that we received yesterday. It was just the five-foot dedication along southwest 58th avenue that wasn't shown on the plan you received yesterday. This plan shows that dedication, so there's just a minor, minor difference in the lot size areas, and that's the only differences that you'll see. So in summary, the revised proposal -- the applicant's revised scheme as you see before you retains the same lot configuration that you saw in previous times, with lots in an east-west orientation. However, instead of having three combined driveways serving the five row houses, the applicant is now proposing one driveway off of southwest montgomery. This driveway will cut through the odot easement and the applicant will need to provide some verification from odot that this will be allowed. And we can work that out as a condition of approval. Just so -- to orient you to the area again, the intersection of southwest montgomery and 58th avenue, and here's the slide showing the original plan and the revised plan. The original plan on the left showing the multiple driveways accessing southwest 58th avenue. And the revised plan on your right, on the right of the screen showing the same configuration of lots with the driveway coming off of southwest 58th avenue serving all five lots at the rear. I'm sorry, montgomery. Thank you. So real quickly, the revised plan staff beliefs satisfies all the applicable land devision approval criteria. If the council approves this plan we will need to bring back revised findings for adoption at a future meeting. And the alternativesce-1 similar to the last time, you can deny the appeal and uphold the hearings officer's decision to approve the original plan, you can deny the appeal but modify the hearings officer's decision based on the review of the record, which may include approving an alternative plan like the one you see before you today. Or you may uphold the appeal in part or whole based on review of the record, thereby overturning the hearings officer's decision and denying the project outright. That concludes my presentation.

Potter: Anything to add, kurt?

Kurt Krueger: Transportation has reviewed the plan before us, and are in general agreement, other than a couple minor things. We find the plan acceptable.

Potter: What are those changes?

de Freitas: The only change that kurt is referring to, we will need to impose a condition of approval that the applicant provide verification that odot is in agreement within going through the easement that runs across the site with that new driveway.

Leonard: Do you predict that would be just not a difficult thing to do?

de Freitas: I think the question is better served to be applicant. My understanding is they've had communications with odot so far, and preliminarily odot has indicated that that would not be a problem.

Leonard: Thanks.

Saltzman: So I guess this is probably to kurt. From a traffic congestion point of view, that seems like an awfully -- I -- the last time I felt my preference for a single driveway would be from 58th, it seems like putting traffic at that point on montgomery, that's a difficult place for access and egress, especially during rush hour or school hours and stuff like that. Is that something that was looked at?

Krueger: I would tend to agree with you. When we quickly perused this plan yesterday, our ideal location would be to have a single driveway on 58th away from the intersection, away from that congestion and possible backout. I think most of the challenge will be for the individual residents that will live here potentially trying to access. There may be times where it's difficult to pull in and

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out. There is a little bit of a challenge of topography with this driveway connection on montgomery. I think it's approvable, we would still prefer to have it on 58th, but what we have before us I think is approvable.

Saltzman: It won't cause the intersection to totally fail, whatever the terminology is we use? Ok.

Adams: Could I ask a question about the bigger issue? In regards to the memo you sent us on the concerns about southwest -- where is -- the work program and cost estimate for sylvan-highlands transportation study plan, you estimate that it would cost more or less \$60,000 to \$90,000.

Krueger: Correct.

Adams: When was the transportation system plan developed? What year?

Krueger: It was adopted in 2002. I have transportation planning people that could probably answer more specifics, but I know it was a multiyear process that involved multiple neighborhoods throughout the city.

Adams: To what extent, maybe for others, to what extent was the issue of cut-through traffic on 58th considered an add -- and addressed as part of the transportation t.s.p. plan?

Krueger: I think i'm going to ask for a little help from our transportation planning staff at this point.

John Gillam: I'm john gillam with transportation planning. The transportation system plan was more of a larger scale plan than to address an issue that specific. During the course of the plan, some neighborhoods came forward with concerns about similar concerns about cut-through traffic, and we've reevaluated money maybe will the policy role of various streets to respond to requests. But as far as something of this small scale, we pretty much only addressed things on a requested basis. And we didn't receive a request to evaluate this problem.

Adams: Ok. And I won't take too much longer, but how much of the -- where in the city and how much of the city has received this kind of more focused transportation study? And how is it triggered by the bureau? What has to happen on the street for the bureau to trigger a transportation study normally?

Gillam: Well, again, it's a matter of request, and in other areas of the city, some neighborhoods also benefit from adopt a neighborhood plans, which provide some additional direction in terms of how to look at a problem, or a problem might exist, or action plans for further work. And sylvan-highlands doesn't have an adopted neighborhood plan, so it's at a disadvantage in that regard. But as we put together plans, even though it is a broad system plan, we still look at neighborhood plans and look at action items in the neighborhood plans, and future work requests to make sure they're included.

Adams: Just to give -- I never contemplated the developer of these five units paying for an interbureau plan. So if that's the impression that people at the last hearing got, that wasn't at least my own thinking, rather, it was to find out in context of putting together next year's budget for pdot whether this should be a project that the council might want to consider. And I hope council will consider it as part of the next budget process, and I appreciate the work that you've done to sort of scope out what the plan would look like and how much it would cost.

Potter: Questions? Thank you, staff. We're going to continue the -- today's order of business. And the way it goes is the appellant will have 10 minutes, supporters of the appeal, three minutes each, and the principle opponent or the applicant will have 15 minutes, and then on down through testimony. Would the appellant please step forward, or do you wish as you previously stated, to wait until after the applicant has made their statement?

Gretchen Hollands: I think i'll go ahead and speak. My name is gretchen hollands, the sylvan-highlands neighborhood association president. I just wanted to let you know, we were really happy to meet with pdot, and they did give us some options. We have a little bit of a problem because we don't have a neighborhood plan, and we don't have consensus within our neighborhood about what to do. And we're very willing to work on that. And then the other problem is that pdot doesn't

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really know what options to provide us until we say which direction we want to go. And we really appreciate council encouraging pdot to work with us on this. Usually we're speaking with will stevens and only talking about speed bumps, and being able to look at it from a bigger picture has been really helpful for us. As mr. Hoffman mentioned, we are -- there is another land use case, and we are appealing the process, but we voted last night as a board to pursue a good neighbor agreement in lieu of the an appeal, and we're really hoping we, work with him to get something that everyone can agree on. And as part of that good neighbor agreement, we were going to ask mr. Hoffman to use his traffic citywide group lan caster, I think it was, if he can put a few thousand dollars in a traffic study and save the city \$60,000 to \$90,000, we feel that would be a better and more focused use. We can tell -- we can directly work with that company as opposed to using pdot's resource and come back to pdot and say, here's what we nailed out, can you help us with that. I just warned to respond to some of those other issues that were out there. And I think we'll go ahead and let the other people talk. I'm just confused about the process.

Potter: Thank you. Yes.

*******:** Any questions?

Potter: Were there other supporters of the appeal?

Adams: If I could make a suggestion, I really appreciate your efforts to try to save tax dollars. I would encourage you to touch bases with pdot early in your work with private traffic engineer if that comes to fruition.

*******:** Ok. Thanks.

Potter: I think because we have new information from the applicant, my understanding is you folks want to wait until you hear this. So could the applicant please come forward? You have 15 minutes, sir, and please state your name for the record.

Ken Sandblast: For the record, ken sandblast. I don't believe it will take anywhere close to 15 minutes. I just wanted to respond. I think your staff did a good job of covering in summary what you did. We heard what you did last time, we tried to come up with an alternative plan, and we've done that. We proposed a combined one access point on montgomery as a shared easement. We did have to talk to odot. It took in the short period of time relatively speaking between these two meetings, we were able to at least have conversations preliminarily the slope easement does not legally prohibit it. It's simply a condition as the staff has suggested that's going to have to be placed on it to make sure they have approval of any construction or access or retaining walls that go into that easement area. And we're willing to accept that condition. We have tried to provide you something that the direction that we heard from before, and we would ask for your support from this. It's basically as staff told you, the same configuration, the same way out. It doesn't penalize the applicant for this appeal for meeting the criteria, it just reaches this compromise that's attempting to be struck here, and we would ask for your support. I'll answer any questions if you have them.

Potter: Thank you.

Leonard: Thank you for what you did.

Potter: We appreciate that. Thank you very much. Any other questions, folks? Thank you, sir. Now does the -- are there any other opponent testifiers? That is, people who are opposed to the appeal?

Moore: Mr. Pollock, you had signed up. Did you want to testify? You're ok? Ok.

Potter: Now we offer the rebuttal by the appellant. For five minutes.

Moore: We had people who wanted to testify as to supporting the appeal.

Potter: So you are a supporter of the appeal?

David Allred: Yes. David allred, I work for neighbors west northwest as a land use specialist. And i've been providing staff support to the neighborhood association on this case. I just wanted to give a little context to this case in the sense of, we've been talking about the broader problem in the

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neighborhood in terms of land use and what's coming to the neighbors as the zoning entitlements are being utilized. The neighborhood is about 550 or 600 acres, and of that portion, about 20 acres are zoned comp plan designated to r2, which is some of these case that's are coming. And the current case is already zoned r2. So we have the potential there for a few hundred extra units, dwelling units into the neighborhood. We also have other parcels in the neighborhood that can be subdivided. And as you've seen from the earlier testimony, the egress and exit from the neighborhood is pretty limited. There are only one or two or three or four ways in and out, so I think that context of the problem for the neighborhood in terms of needing some better attention from the city and from staff to give them a better participation in their transportation planning is -- as this moves forward. I just wanted to ploy that context. Thank you.

Potter: Thank you.

Adams: Thanks.

Potter: Now, please come forward again.

*****: I'm new at this job too. [laughter]

Potter: Welcome.

Sally Kneuen: Ok. This is going to be brief. The sylvan-highlands neighborhood -- sally kneuen, land use chair for sylvan-highlands neighborhood association. The sylvan-highlands neighborhood association board met last evening to review the latest proposal, and the board wants to express appreciation to the council and to the applicant for allowing us an opportunity to participate in the solution. We believe that the developers' efforts to mitigate the safety and transportation problems at the intersection of southwest montgomery and 58th is -- this is an improved suggestion. We prefer this proposal over the original one, although we do have concerns about residents traveling outbound from their driveways onto southwest montgomery where they will be crossing oncoming traffic to get to skyline. We continue to maintain that pdot should manage cut-through traffic and address infrastructure deficiencies for our local service streets, adding any trips to these two intersections without addressing the transportation infrastructure and infiltration issues is problematic. We ask council to encourage pdot to work with us on a transportation master plan for our neighborhood, and we expect to be involved with a review of the zoning in our future planning efforts. Any time you can address transportation and safety concerns that result from higher density development, you're helping to improve neighborhood livability. Thank you.

Potter: Now we have council discussion.

Leonard: I'm trying to figure out how to move the proposed revised preliminary --

Potter: We actually have a procedure for that.

Leonard: Ok.

Sten: I'll second it once he figures it out.

Leonard: I think it's to deny the appeal on the condition that the revised preliminary plat be the plan, and that it be conditioned on approval from odot for the easement. Does that capture it?

*****: Yes.

Potter: Does it?

Frank Hudson, Office of the City Attorney: Yeah, that captures it. The other thing we need to be mindful of, since staff does need to come back with revised findings, that a drop-dead date is march 22.

Leonard: Ok. Did you hear my motion, mayor?

Potter: Please repeat it.

Leonard: To deny the appeal conditioned upon the acceptance of the revised preliminary plat, and on the condition that odot approve the easement required from southwest montgomery.

Potter: And we vote on it now.

Leonard: I need a second.

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Potter: But -- commissioner reminds me he needs a second.

Sten: Second.

Potter: Karla, please call the roll.

Adams: I want to thank the developer and your team for your creativity and response to the neighborhood concerns. I want to thank the neighborhood for your advocacy. I want to thank commissioner Leonard for the creativity on the single driveway from Montgomery. There are some risks, obviously, with single driveway on Montgomery, but I think they are manageable risks, and one that I'm willing to take. In terms of the bigger issue, I look forward to working with pdot through the next budget process at looking at all the transportation planning needs of the city over the next fiscal year, and working with them, and we'll definitely prioritize this for consideration. Having spent time with your neighborhood association, having driven this area, I know it's a couple of different neighborhoods that we would need to work with, and I think there are some opportunities to get a rather handle on the problem and to offer some solutions that would maybe bring the neighborhood around at least some of the solutions if not all of the solutions, and that's why we're here, at least it would allow us to have some data to make some of those decisions. So thank you for your advocacy, and I'm happy to vote aye.

Leonard: And I do thank -- think that it is not necessarily an oxymoron to think we can't have development and neighborhoods that support that development as long as it's done in a way where all of us are trying to be as creative as possible. And certainly I -- I have absolutely worked to the end to make permitting in Portland predictable, so when you get a permit you have an idea what the guidelines are. I've worked just as hard to make sure that happens in a way that's complimentary to the city, and not in a way that creates more hard feelings than it does solve problems. And I think this is a good example of that. How we as the council can help facilitate good growth, yes, but also how that can happen in a way that minimizes the impact on neighborhoods. Aye.

Saltzman: I want to thank Mr. Pollock and his team, and also the neighborhood association for I think both being very reasonable, and that's not something we always see here. So this is a great example here of how we can do development right that will address concerns about traffic impacts, safety impacts to the school, but also allow the property to be developed for what it's intended to be -- what it is zoned for and what the developer has the right to do, and as I said last time, I look at five new homes and hopefully there will be at least five new children attending Portland public schools as a result. Hopefully more children. Aye.

Sten: It's been said, so I won't say it again. I agree. I want to thank all of the parties. I think this is -- when you balance all of the interests, this is a much better proposal to reach all sides, so I very much appreciate the developer's hard work, and I vote aye. Thank you.

Potter: I too support this. I think it's a good example of the city and the community and developers working together. And like the appellant said, they would like to be involved in the future, and I think our bureaus have got that message, and they will continue that effort with your neighborhood and all the neighbors in the city. So thank you all. I vote aye. [gavel pounded]
council is adjourned until next Wednesday morning.

Moore: We need to set a return date for this on the record.

Hudson: We need to set a date certain.

Potter: A date certain?

Moore: We're going to March 17th.

Potter: March 17th, okay. So March 17th we'll come back with approval from odot. [gavel pounded]

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

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