



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **6TH DAY OF SEPTEMBER, 2006** AT 9:30 A.M.

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

Commissioner Adams participated by telephone from 10:11 a.m. to 11:21 a.m.

OFFICERS IN ATTENDANCE: Susan Parsons, Acting Clerk of the Council; Ben Walters, Senior Deputy City Attorney; and Gary Crane, Sergeant at Arms.

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

	Disposition:
COMMUNICATIONS	
1150 Request of Portland's Sister City, Bologna, Italy to address Council regarding greetings (Communication)	PLACED ON FILE
1151 Request of Richard L. Koenig to address Council regarding petition for redress of grievance (Communication)	PLACED ON FILE
1152 Request of Bruce Broussard to address Council regarding education funding and the City budget (Communication)	PLACED ON FILE
1153 Request of Henry Bergquist to address Council regarding fairness of assessed taxes within the City (Communication)	PLACED ON FILE
1154 Request of Ross Monn on behalf of Neighborhoods of East Portland to address Council to thank Commissioner Leonard and the Water Bureau for their new offices (Communication)	PLACED ON FILE
TIME CERTAINS	
1155 TIME CERTAIN: 9:30 AM – Support the internationally sanctioned United Nations Protocol to Prevent, Suppress and Punish Trafficking in Persons, and support the protocol’s opposition to the criminal trafficking of human beings (Resolution introduced by Commissioners Leonard, Saltzman and Sten) (Y-4)	36436

CONSENT AGENDA – NO DISCUSSION	
Mayor Tom Potter	
City Attorney	
<p>*1156 Authorize the Director of the Bureau of Environmental Services to enter into an Intergovernmental Agreement with other governmental entities to share the costs of litigation for National Pollutant Discharge Elimination System municipal separate storm sewer system permits (Ordinance)</p> <p>(Y-4)</p>	180406
Office of Management and Finance –Financial Services	
<p>1157 Adopt City of Portland Accounting Administrative Rules (Resolution)</p> <p>(Y-4)</p>	36435
Office of Management and Finance – Human Resources	
<p>*1158 Amend contract with Transformational Systems International to extend term and provide for additional services for the Cooperative Leadership Institute and provide payment (Ordinance; amend Contract No. 36118)</p> <p>(Y-4)</p>	180407
Office of Management and Finance – Risk	
<p>*1159 Pay claim of Budget Rent A Car (Ordinance)</p> <p>(Y-4)</p>	180408
Police Bureau	
<p>*1160 Amend contract with the State of Oregon, Department of State Police for access to the Western Identification Network System and allow for payment (Ordinance; amend Contract No. 36794)</p> <p>(Y-4)</p>	180409
<p>1161 Change the salary range of the Nonrepresented classification of Police Identification Technologies Coordinator (Ordinance)</p>	PASSED TO SECOND READING SEPTEMBER 13, 2006 AT 9:30 AM
Commissioner Sam Adams	
Bureau of Environmental Services	
<p>1162 Authorize an agreement with Friends of Zenger Farm for work on the Phase I Improvements - Zenger Urban Agricultural Park (Ordinance)</p>	PASSED TO SECOND READING SEPTEMBER 13, 2006 AT 9:30 AM

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<p>1163 Amend loan agreement with Oregon Department of Environmental Quality under the State Revolving Fund Program for water quality projects to update list of projects and signature authority (Ordinance; amend Ordinance No. 177898)</p>	<p align="center">PASSED TO SECOND READING SEPTEMBER 13, 2006 AT 9:30 AM</p>
<p align="center">Office of Transportation</p>	
<p>*1164 Grant revocable permit to Toth Brown & Company/Automotive Events to close NW Davis Street between NW 11th and 12th Avenues on September 12, 2006 (Ordinance) (Y-4)</p>	<p align="center">180411</p>
<p>*1165 Grant revocable permit to Portland Center Stage to close NW Couch between NW 11th and 12th Avenues on September 30, 2006 (Ordinance) (Y-4)</p>	<p align="center">180412</p>
<p>*1166 Amend Intergovernmental Agreement and Jurisdictional Transfer Agreement with Oregon Department of Transportation to design and construct the Martin Luther King, Jr. Viaduct Replacement Project (Ordinance; amend Contract No. 52107) (Y-4)</p>	<p align="center">180413</p>
<p>*1167 Authorize agreement with Multnomah County to begin planning services for the rehabilitation or replacement of the Sellwood Bridge (Ordinance) (Y-4)</p>	<p align="center">180414</p>
<p>*1168 Authorize a Lease and Option to Purchase Agreement with Waterfront Pearl Limited Partnership to construct, use and maintain portions of a condominium complex on and under dedicated Northwest Naito Parkway right-of-way (Ordinance) (Y-4)</p>	<p align="center">180415</p>
<p>1169 Revoke permits granted for Track 100, an industrial lead track within NW Front Avenue north of NW 9th Avenue (Ordinance)</p>	<p align="center">PASSED TO SECOND READING SEPTEMBER 13, 2006 AT 9:30 AM</p>
<p>1170 Authorize a two-year Intergovernmental Funding Agreement with Rogue Valley Transportation District for use of the City CarpoolMatchNW.org website (Ordinance)</p>	<p align="center">PASSED TO SECOND READING SEPTEMBER 13, 2006 AT 9:30 AM</p>
<p>1171 Extend term and increase amount of contract with Alta Planning + Design for the development and implementation of the national Safe Routes to School model in Portland (Ordinance; amend Contract No. 35788)</p>	<p align="center">PASSED TO SECOND READING SEPTEMBER 13, 2006 AT 9:30 AM</p>
<p align="center">Commissioner Dan Saltzman</p>	
<p align="center">Office of Cable Communications and Franchise Management</p>	
<p>*1172 Extend term of AT&T long-distance telecommunications franchise (Ordinance; amend Ordinance No. 162822) (Y-4)</p>	<p align="center">180416</p>

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<p>*1173 Extend the term of a temporary revocable permit granted to TCG of Oregon (Ordinance; amend Ordinance No. 173990) (Y-4)</p>	<p align="center">180417</p>
<p>*1174 Extend the term of a temporary revocable permit granted to Qwest Corporation to build and operate telecommunications facilities within City streets for an additional twelve months (Ordinance; amend Ordinance No. 175757) (Y-4)</p>	<p align="center">180418</p>
<p align="center">Office of Sustainable Development</p>	
<p>*1175 Authorize an Intergovernmental Agreement with Metro to receive sponsorship for Office of Sustainable Development ReTHINK educational series and Build It Green! Home Tour in the amount of \$8,000 in FY 06-07 (Ordinance) (Y-4)</p>	<p align="center">180419</p>
<p align="center">Commissioner Erik Sten</p>	
<p align="center">Bureau of Housing and Community Development</p>	
<p>*1176 Amend the expenditure authorization with subrecipient Transition Projects, Inc. to further the goals of the 10-year Plan to End Homelessness and provide for payment (Ordinance; amend Ordinance No. 180341) (Y-4)</p>	<p align="center">180420</p>
<p align="center">REGULAR AGENDA</p>	
<p align="center">Mayor Tom Potter</p>	
<p>1177 Appoint Dan Anderson, Bonnie Bruce, Richard Larson and Debbie Menashe to the Adjustment Committee for a term to expire June 30, 2010 (Report) Motion to accept the Report: Moved by Commissioner Leonard and seconded by Commissioner Saltzman. (Y-4)</p>	<p align="center">CONFIRMED</p>
<p align="center">Bureau of Planning</p>	
<p>1178 Accept Historic Preservation Fund grant of \$17,500 to support the City historic resources program (Second Reading Agenda 1145) (Y-4)</p>	<p align="center">180421</p>
<p align="center">Office of Management and Finance – Bond Counsel</p>	
<p>1179 Authorize a pilot program to allow security substitution for local improvement district liens in certain local improvement districts (Ordinance)</p>	<p align="center">PASSED TO SECOND READING SEPTEMBER 13, 2006 AT 9:30 AM</p>
<p>1180 Authorize revenue bonds and lines of credit to provide interim financing for projects within the North Macadam Urban Renewal Area (Ordinance)</p>	<p align="center">PASSED TO SECOND READING SEPTEMBER 13, 2006 AT 9:30 AM</p>

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<p>1181 Authorize full faith and credit bonds to finance costs of public improvements in the South Waterfront area (Ordinance)</p>	<p align="center">PASSED TO SECOND READING SEPTEMBER 13, 2006 AT 9:30 AM</p>
<p align="center">Office of Management and Finance – Bureau of General Services</p>	
<p>*1182 Authorize acquisition of vehicles for use by City bureaus (Ordinance) (Y-4)</p>	<p align="center">180422</p>
<p>1183 Amend contract with MCA Architects to provide additional architectural and engineering consulting services for the remodel of Fire Stations 15, 24, and 43 (Second Reading Agenda 1146; amend Contract No. 35694) (Y-4)</p>	<p align="center">180423</p>
<p align="center">Office of Management and Finance – Business Operations</p>	
<p>*1184 Authorize charitable organizations eligible to participate in the City 2007 Combined Charitable Campaign (Ordinance) (Y-4)</p>	<p align="center">180424</p>
<p>*1185 Allow the Portland Parks Foundation to participate in the City 2007 annual charitable campaign (Ordinance) (Y-4)</p>	<p align="center">180425</p>
<p>*1186 Allow Portland Toy & Joymakers to participate in the City annual charitable campaign (Ordinance) (Y-4)</p>	<p align="center">180426</p>
<p align="center">Office of Management and Finance – Human Resources</p>	
<p>*1187 Authorize a Memorandum of Agreement with the Portland Police Commanding Officers Association to modify the terms provided in the Labor Agreement, Article 33, Section a, concerning Executive Leave (Previous Agenda 1092) (Y-4)</p>	<p align="center">180427</p>
<p align="center">Portland Development Commission</p>	
<p>1188 Accept Eighth Amendment to South Waterfront Central District Project Development Agreement and direct implementation (Resolution) (Y-3; N-2, Leonard and Sten)</p>	<p align="center">36437</p>
<p>1189 Amend Intergovernmental Agreement between the Portland Development Commission and Office of Management and Finance to implement the South Waterfront Central District Project Development Agreement (Ordinance; amend Contract)</p>	<p align="center">PASSED TO SECOND READING SEPTEMBER 13, 2006 AT 9:30 AM</p>
<p>1190 Amend Intergovernmental Agreement between the Portland Development Commission and the Office of Transportation to implement the South Waterfront Central District Project Development Agreement (Ordinance; amend Contract No. 52156)</p>	<p align="center">PASSED TO SECOND READING SEPTEMBER 13, 2006 AT 9:30 AM</p>

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1191 Amend Intergovernmental Agreement between the Portland Development Commission and the Bureau of Parks and Recreation to implement the South Waterfront Central District Project Development Agreement (Ordinance; amend Contract No. 52052)	PASSED TO SECOND READING SEPTEMBER 13, 2006 AT 9:30 AM
Commissioner Dan Saltzman	
Parks and Recreation	
*1192 Authorize lease agreement with Oregon Department of Transportation for property to be used by Portland International Raceway (Ordinance) (Y-4)	180428
*1193 Authorize grant of easement over Parks and Recreation Bureau property to New Columbia Community Campus Corporation to be used as drop-off area and parking for Rosa Parks Elementary School (Ordinance) (Y-4)	180429
1194 Authorize acceptance of donation of a parcel of land from the Diack Trust for property adjacent to Council Crest Park (Second Reading Agenda 1149) (Y-4)	180430

At 11:44 a.m., Council recessed.

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WEDNESDAY, 2:00 PM, SEPTEMBER 6, 2006

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

September 7, 2006

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,
OREGON WAS HELD THIS **7TH DAY OF SEPTEMBER, 2006** AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Potter, Presiding; Commissioners Leonard, and
Sten, 3.

OFFICERS IN ATTENDANCE: Susan Parsons, Acting Clerk of the Council; Kathryn
Beaumont, Senior Deputy City Attorney; and Gary Crane, Sergeant at Arms.

<p>1195 TIME CERTAIN: 2:00 PM - Consider the proposal of Samantha Dang and the recommendation from the Hearings Officer for denial of a Comprehensive Plan Map and Zoning Map Amendments for property at the northwest corner of SE 82nd Avenue and SE Bybee Boulevard (Previous Agenda 1105; Hearing; LU 05-107223 CP ZC)</p> <p>Motion to tentatively grant the appeal and reverse the Hearings Officer's decision with the set of conditions in the Office of transportation memo dated September 1, 2006: Moved by Commissioner Leonard and seconded by Commissioner Sten.</p> <p>(Y-4)</p>	<p>Disposition:</p> <p>TENTATIVELY OVERTURN HEARINGS OFFICER'S DECISION AND APPROVE PROPOSED COMPREHENSIVE PLAN MAP AND ZONING MAP AMENDMENTS WITH CONDITIONS; PREPARE REVISED FINDINGS FOR SEPTEMBER 27, 2006 AT 9:30 AM</p>
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At 2:16 p.m., Council adjourned.

GARY BLACKMER
Auditor of the City of Portland

By Susan Parsons
Acting Clerk of the Council

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

September 6, 2006
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.

SEPTEMBER 6, 2006 9:30 AM

[The following text is the byproduct of the closed captioning of this broadcast. The text has not been proofread, and should not be considered a final transcript.] * * * [roll call]

Potter: Prior to offering public testimony to city council, a lobbyist must declare which lobbying entity he or she represents. Bologna.

Item 1150.

Potter: I'd like to welcome the delegations from our sister city in bologna, italy. They've come to council with greetings from our -- for our sister city and will tell us about their plans while in Portland. If you folks would please come forward, I think george, you're with this group as well, aren't you? Good morning.

George Passadore: Good morning. Thank you, mr. Mayor, members of the council. My name is george passadore, i'm pleased to be here and have an opportunity to just share with you very briefly what we have done over the past five years in establishing a sister city between Portland, Oregon, and bologna, italy. Those five years ago we were primarily centered on trying to establish a nonstop route between Portland and europe. And we were competing with other major cities. And as you know, we prevailed in that, and we did end up with a nonstop route, and a number of us got together and thought, you know, we have a number of sister cities but we don't have one in europe. And wouldn't it be nice if we could establish one in italy. Italy is the most touristed country in the world, and some of us have closer roots to italy than other countries, so a group of us met and we debated quite vociferously of which city we would like to be twinned with, as the italians would refer to it. And we finally ended up with bologna, and we're very pleased to be partnered with bologna. Bologna is a beautifully historic city, and if you have the opportunity to visit that we would certainly want to be available to you to have people show you around this beautiful city. It has the oldest university in the western world, founded in 1053. It has 100,000 students. And today these five years later we've made a number of elements of progress in establishing linkages. Our goal was to have cultural, economic, and artistic linkages between the city of bologna and Portland. And we wanted to aid tourism in that regard in order to keep the seats filled on the flights. And we've been a factor in that as well. Last year we established a formal relationship with Portland state university and the school of arts and sciences. We actually have our office, our headquarters, if you would, in the school of arts and sciences. All of our administration and support is there. We fund Portland state with that, and we do that through fund-raising of our own, and we've managed to do that very well so far. Bologna also represents an opportunity for us to help customers here in Oregon, for example, nike has established their italian headquarters in the city of bologna. And they have much of their artistic talent, they have about 200 employees there. We've established relationships with Oregon health and science university, who, with the university of bologna, which also has a fine medical school, doctors such as brian in his drive -- drucker in his drive to cure leukemia, have worked with that university. The young artist neil dupont, we've had an exchange of young artists between Portland and bologna, and for the first time we've actually got a product from the region of bologna, the balsamic vinegar comes from there, it's a very old and proud tradition of making balsamic vinegar. We're now producing it here in Oregon through cooper

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mountain vineyards, and the first of that production just went on the market. So these are just a few of the little teasers that we'd like to throw out of what we're looking for. I, tell you though I had nothing to do with it, my role as president of the board of tri-met, tri-met now buys all of their tire chains from a manufacturer in italy. So we thought we would just throw that in for good measure. I'd now like to introduce the president, the chairman of our sister city organization. And vice council for italy here in Oregon, andrea bartoloni.

Andrea Bartoloni: I would like to introduce the members of the el education -- delegation. Immediately to my right is the mayor, chief of staff in bologna. This is the director of international relations for the city of bologna. And then we have the president of an organization sill to our p.d.c. for the economic development of the region. And lastly, we have the president of the equivalent of the bologna Portland sister city association in bologna. We have one more member of the organization, and that is vice mayor, and I was -- which was on a route to the united states yesterday, but unfortunately because of the strict rules of homeland security, she had an outdated passport, it wasn't biometricly readable. So she had to go back home, she got a new passport, and she's backs on the plane and she's going to arrive -- she'll be arriving here in Portland in about two hours. So we'll enjoy her visit for the rest of the stay, which will be until sunday. Now we thought that we would let benedicto make a few remarks and then we'll say our goodbyes.

Benedetto Zacchioli: Good morning, everybody, good morning mayor. I will speak in italian because for me it's more easy. My english is not very well. Thank you.

Translator: First of all, thank you very much for welcoming us, and it's an honor for us to be here today. As you know, the sister city, the relationship and agreement was started a while ago when the administration was different, and we had a different mayor than what we have now. Our presence here, my presence here is a sign of a continuity of the relationship that was started, and also speaks for the value that the mayor puts in this relationship, and the value of the -- of continuing this relationship between the two cities. We also are here because of the organization that was formed not long ago in bologna that is the sister city organization, and the president is here right now. And for us in the city, having this organization is certainly an added value to what's already established. The people next to me on my left, I had met them before, soon after the elections, and I want to assure you you have wonderful ambassadors to your city. My mayor, I hope to see you, mr. Mayor, in our beautiful city. Thank you so much for the welcome. Thank you.

Potter: Thank you.

Leonard: I wanted to say a couple of things before you left. Mayor Potter is going to have to start planning quick, because my wife and I are planning a personal vacation to italy next summer, and bologna is one of the places we're going to stop. So unless you've got something going, i'll beat you there. The other thing I want to say, I got a very exciting phone call last night from a retired Portland firefighter, who's been retired over 30 years, and he fought in the armed forces for the united states in world war ii and his name is bill keys and you honored him last night as one of the forces that was involved in the liberation of italy in world war ii. And he was very humbled and proud and called to tell me of the he knew you were coming today, to thank you so much for honoring him. It was a high point in his life.

*****: I think it had the opportunity to have dinner with two of our group, so they were talking about the experience.

Leonard: He was very honored. Thank you very much.

Potter: And we do look forward to visiting your beautiful city. My wife and I were there four years ago, and we were only there a few days, but we made a promise at the time that we would come back to bologna so my only job at this point is to make sure I get there before commissioner Leonard does. Thank you all for being here.

*****: Thank you very much. [applause]

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Potter: If you folks wish to leave, that's fine. If you wish to stay for our council meeting, you're more than welcome to.

Leonard: Thank you.

Potter: Please read the next communication.

Item 1151.

Richard L. Koenig: Good morning, Portland, city council, mayor, my name is richard koenig. Good to be back on this sister city day. In conformance, refresher, in conformance with the protocols established, i'll present for your consideration an assertion to which you may choose to respond in rebuttal on the occasion of our next visit. Your silence at that time will be an explicit expression of your agreement with no further discussion required. And I want to thank you folks for your continued demonstrations of good faith. Before I assign dollar values to the elements of the claim presented to you over the past number of months, I must add yet one more example of inadequate police hiring and training policies. On august 2, I was assaulted by Portland police bureau members while on my way to the city council to testify in regard to the most restrictive city hall communications policy of any u.s. City. The pretext was that I was a bicycle, quote, operator, closed quote, just like a, quote, driver of any other vehicle concerning operating, closed quote. And that I was in violation of the motor vehicle laws. Fortunately commissioner Leonard has the legislative background to appreciate the constitutional restriction on riding -- writing law that says an act shall embrace but one subject and matters properly pertaining thereto. Well, the single -- what is the single facet that runs through the motor vehicle law that's makes bicycles subject to the, quote, same laws as -- excuse me, the quote is out of place. Quote, any other vehicle concerning operating, closed quote? Well, that language is concise, and it doesn't leave any room for guessing. Quote, concerning operating, closed quote, is consistent with a vehicle operated over the highways of the state for compensation or profit must comply with titling and registration requirement, and also with a person who operates a vehicle on the highways open to the public as a matter of right, better have the license, slash, permission required by law to pursue any commercial activity, trade, occupation, or profession. And i've put the citations of those phrase there's for your future reference. The point is that any reasonable human being who's been a legislator like mr. Leonard would just know that the general public with the right to use the highway can't constitutionally fit in the same act with motor vehicle operators who are granted the privilege to use the highways. But the police in this fair city who took an oath, the same one mr. Leonard took, haven't been allowed by our public schools to know what the constitutions mean. And they have been trained well enough so that they don't care to learn. I want to thank you, gentlemen. We'll talk about the dollar values on this claim probably start little next week.

Item 1152.

Moore: Bruce is not able to make it this morning.

Item 1153.

Potter: Thank you for being here. When you speak, would you please state your name for the record, and you have three minutes.

Henry Bergquist: Henry -- henry bergquist, good morning mr. Potter, members of city council. I wish to make two statements concerning tax assessments and the fairness of the system. Please compare pages 3-4, their addresses 8925 and 8937 north baird, both the same square footage, the same market value, built the same time by the same builder. They are painted a different color. But look at the tasks -- tax assessed value over \$10,000 difference. And I did ask Multnomah county tax assessor about the difference in the two houses, and his reply was that it could be an unknown factor or a mistake, and that was the end of their conversation. Now please compare page 2-3, 9017 and the 8925 north baird. The 9017 house is 338 square feet smaller. It has 1½ less bedrooms, but its market value is \$29,500 higher. And it's assessed value a whopping \$73,530 more. The tax difference between the two houses is \$1,458.97. Granted, the 9017 house has antique value, along

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with the knob and tube electrical wiring, limited insulation, and no earthquake foundation straps. But does that really justify a tax assessment and spread of that proportion? As near as I can figure, the house says with the lower assessed value on a housing deferred taxing program or tax abatement from the Portland development commission, which as I understand it is under control of mayor and council. I would like to think it costs the same in city services for any home in Portland so that when one homeowner gets a big tax break at the expense of other homeowners, is it no wonder the city is always short when it comes budget time? And as closing, as long as the city continues to give tax abatements, I as a taxpayer have to conclude that the city has more than enough income for their fire, their police, street repair, and that no bond levies will need to be passed. I thank you for your time, sir.

Potter: Thank you.

Item 1154.

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

Ross Monn: I'm ross monn, chair of wilkes community group. You'll have to pardon me, i'm going to read this, because otherwise I get nervous when I get up here and I make a big miss out of what i'm trying to say. Commissioner Leonard, I wanted to take this time, this opportunity -- I can't even read. Opportunity to publicly thank you for allowing us to use a semivacant publicly owned water bureau building at east Portland for -- for the east Portland neighborhood coalition offices. As the chair's liaison to planning the new building uses, thank you on behalf of parkrose heights, parkrose, hazewood, mill park, pleasant valley, lents, glen fair, centennial, russell neighborhood, and wilkes community group. The 13 neighborhood associations which make up east Portland neighborhood coalition. Tonight we hold our first chairs meeting in our new offices. Staff moved in last week. We held a small meeting there. In the middle of boxes and furniture last week. Our new building has space, light, air, circulation, and enough parking. We now have an open space area adjacent to our offices, which provide a view of growing trees, plants, and grass. We especially appreciate this outdoor space which will allow us to build a special relationship with our neighbors and community as a whole. We look forward to having enough room to hold events and conduct activities which will build connections new and diverse -- to new and diverse members of our community. We are already planning a multicultural event next year in the late spring to bring a variety of groups together to meet us and to meet each other. As the person who often dealt directly with the water bureau staff and your office, I want to especially thank tom klutz, jenny day for being so efficient helpful and patient with getting this new relationship set up and delivered. Thank you for understanding how to serve the neighborhood associations of east Portland as well as the city by sharing use of this building and grounds. We look forward to having you out to see our new home when we are finished unpacking. Thanks for the great idea.

Leonard: Thank you, ross. That was very kind. I appreciate it.

Potter: Thank you.

Potter: Do any commissioners wish to pull any items from the consent agenda? Any member of the room wish to pull any item from the consent agenda? Please call the roll.

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

Potter: Aye. [gavel pounded] move to the 9:30 time certain.

Item 1155.

Potter: Commissioner Saltzman?

Saltzman: Thank you, mr. Mayor, members of the council. The resolution before you is a product of the work of my office, commissioner Leonard's office, and commissioner Sten's. What it does is it puts us on record, the city of Portland, as supporting the united nations's protocols to prevent, suppress, and punish trafficking in persons. And to support the protocols' opposition to the criminal trafficking of human beings. Trafficking human beings is recognized as an illegal global industry, which exploits hundreds of thousands of men, women, and children each year. Trafficking occurs

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without regard to basic human rights or the adverse effects of trafficking on the victim and their communities. The u.n. As well as national, state, and local governments around the world have begun to address this crime by supporting the efforts of awareness, prevention, and punishment for human trafficking. Today the city of Portland by adopting this resolution adds its support to those efforts that address and eliminate the terrible crime of trafficking of human beings. We have two invited guests that I wanted to introduce, and if they could come to the table. Todd of village focus international, and jess, could you come up too? We were going to have -- and brian willis. I'll basically give a little introduction. We were to have today dr. Chantovan, but unfortunately she had some air travel issues as well and she is still in canada and not able to be here for today's session. She has done a remarkable amount of work. She founded the international division of village focused international, which the organization taught. She has worked with village focus international in laos by empowering local leaders to incite powerful and positive changes in their communities. Her efforts have often focused on antihuman trafficking activities. As a result of her knowledge and dedication in battling human trafficking, she was nominated and was a finalist for the nobel peace prize in 2005. So again, we miss her, but todd will give some remarks on her behalf. We also have brian willis, he is a health advisor to an organization called in child prostitution, child pornography, and trafficking of children for sexual purposes. He conducts research and advocates for programs and policies to prevent trafficking of children in addition to his work in the u.s., mr. Willis has conducted research in india, pakistan, and thailand, and has spoken on the health consequences of human trafficking at the u.s. State department and the world health organization. I'm pleased to have both of these guests here, and todd, why don't we start with you.

Todd Silaty: I want to thank the mayor and commissioner Saltzman, and Sten and Leonard for your leadership and the opportunity today to come here on behalf of the doctor. It's a pleasure to be here with brian. I have heard of your organization and it's a pleasure to meet you today. I'll be brief. As commissioner Saltzman said today, the doctor is still in canada, and she's arriving friday and saturday. She'll be speaking at the beaverton international school and she'll have a reception hosted by the schlessinger family, and as well as meet with some partnerships. We have some people from ohsu going over there from the preventive health office to partner with her in laos, and also with p.s.u. where jess has been a graduate school member. Very quickly, the doctor is a local leader from laos that I met eight years ago and started village focus international, which is based in Portland, with, amongst a lot of other leaders in that region. That region is a long history with united states, she works in an area of the area that was bombed tremendously, and now we work as ambassadors from both countries, in partnership. So linking communities which was a theme earlier today, is very important in her work and one of the main issues as you know in that region is the antitrafficking. It's a large source area for -- and also prostitution and pedophilia and the trafficking of women and children. And so to speak on that behalf today was something she really feels passionate about and she wanted to thank you for taking leadership, as this city, to recognize that issue and as we know in Portland, there was the arrests made a few years ago in southeast Portland of asian women, and -- which actually we sat on the advisory committee for the state of Oregon for a few years until that was cancelled on this issue. And the main statement that she usually makes is these women aren't victims, the children aren't victims, they're -- they are victims, they're actually not prostitutes, they are not people who should be arrested, but the inns officials, the local officials, the i.n.s. officials, everybody should know what they have been through to get here and they have certain status and rights. The protections of those rights within the united states and also the prosecution of those who violate those rights is something that she is in support of and recognizes Portland. Knowing there is a free right of movement, the work we do over there is not to prevent anyone from moving for work in laos or cambodia. People often move to thailand because there is work there. However, are they aware of the issues. We have been implementing a grant to work with numbers of people, women and children and villages to raise awareness of the

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issues. Once do you move for labor, to prevent any of the problems that have been caused. And it's unfortunate she can't be here today, but again, it's really -- she finally -- when I talked to her on the phone last night, she was like, I can't believe your 70 would even take a step like this. But I think the understanding of despite national politics that local politics can really drive issues, and that a lot of local leadership at that level, which she does understand from where she works, she is working in a communist country, yet she can get so much done on the local level. And I think that's something that she would also want to recognize today. The message send by the local government in Portland is a strong one that can be heard. So I want to thank you again and thank you on behalf of her, and I am honored to show her around Portland for the first time later this week.

*******:** Thank you very much. Likewise i'd like to thank the three commissioners for their leadership on this resolution.

Potter: Could you state your name?

Brian Willis: Brian willis, the health advisor of the organization. As I said, I want to thank the commissioners for the leadership on supporting this resolution I know their staff put rah lot of time and effort into this. It's a pleasure also to meet some colleagues who are working for village focus. Portland should be very proud as far as I know, Portland is the first city in the nation to adopt such a resolution. It shows resolution, this resolution shows our resolve to address a global issue at the local level. Down the street there's a quote from martin luther king that an injustice anywhere is injustice everywhere of the trafficking is everywhere. It's a global issue. Just as was mentioned, where we need to combat this is really at the local level. That's where we're going to have our biggest effect. We need to commit ourselves to fighting it not just in other countries, but on our local streets as well. Today as many of you know, most of the children in Portland are going back to school for their first day. But for other children in our city, who are the victims of trafficking, there will be no school. Many are going somewhere where none of us would want our children to government for those children as well as for many women and children, who will be trafficked today in our city, let us work to ensure that they not spend another day in conditions that violate -- that are of gross violation of their human rights. Thanks to the commissioners for their leadership on this issue.

Saltzman: Thank you very much. I don't know if anybody has signed up?

Stephen Edlefsen: My name is stephen edlefsen, i'm from forest grove, Oregon. I'm very concerned about this. Human trafficking seems really terrible. I presume slavery. But I think about it, and what was given as examples, I think maybe it's people coming to the country maybe through means that aren't really very safe, or very common, at least in the minds of most people, or people who are pressured. Mostly I think it's people who are pressured or coerced. And that seems really terrible. I know a lot of people die. That's really horrible. And the way they die seems very horrible. My mind's uneasy about it. I don't really think as I read this internationally sanctioned united nations protocol to prevent, suppress, and punish trafficking and persons -- in persons, I don't know. I feel like maybe it's kind of bureaucratic and doesn't really do anything. Kind of makes me disappointed. I don't know if that's good or not. That's about all I have to say.

Potter: Anybody else?

Moore: That's it.

Potter: Please call the vote.

Leonard: Aye.

Saltzman: I just want to say i'm very pleased that I didn't realize Portland was the first city to sign on to the u.n. Protocol, and while i'm typically not one that believes the city should get involved in national, international issues, unless something really strikes us as necessary of us taking a position to me this is one of those issues. Today many thousands of children are returning to school in the Portland school district, and I think it's worth noting as I think mr. Willis said that many children throughout the world do not enjoy that same basic right of having the right to be educated, to be

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free from working as a child, and to be free from trafficked -- being trafficked. And it's a problem that exists in this country, and it's more severe in many countries across the globe, and that's why I think it is worthy of us taking a position on this issue today, and working to support the u.n. and its efforts to combat human trafficking throughout the world, and to support the activities of village focus international, where they actually provide young women opportunities for avenues for economic development, avenues for jobs and education. These are some of the most fundamental tools we need to combat human trafficking. So i'm pleased we're joining a rather small unique class today of the first city in the u.s. to do this. I hope other cities will, and from what I know about Portland and how we're watched, i'm sure other cities will follow our lead. I'm very pleased to vote aye.

Sten: I think often cities do make statements ahead of the national government, and I think it's important that Portland make these statements when they're thoughtful and tied to an activist community. It doesn't make sense for us to make a statement on anything we can think up, but when you have people doing good work and providing both positive strategies and calling out the truths that are among us, I think it's important the city government put its weight behind that and really just give a chance for the public to talk about it. It makes this a statement of our citizens which i'm quite sure people feel good about, so I want to thank the activist and i'm sorry our guest couldn't make it, but it's in her honor, i'm glad to vote aye.

Potter: I want to thank the commissioners for bringing this forward. I think this is very important issue that needs attention, and needs to be in the consciousness of Portland citizens. I'd also like to thank the organizations and law enforcement agencies that are working together to change the conditions that allow this kind of behavior. We do have quarterly meetings in this area of law enforcement people, they've developed some enforcement protocols. We are looking at a possible federal grant to further this cost, so there are a lot of things that are being done to remove human trafficking from this area, and support the removal of human trafficking from the rest of the world as well. I applaud this effort. I vote aye. [gavel pounded] we're going to go to the time certain. I mean, the regular agenda. I'd like you to pull to the top of the regular agenda, items 1188, 89, 90, 91, 79, 80, and 81. In that order. Please read item 1188.

Item 1188.

*****: Commissioner Adams will be joining us by phone.

Potter: Would you advise us when he is online? If the staff and the executive director of the Portland development commission, please come forward.

*****: Good morning, mr. Mayor, members of the commission. Would you like us to proceed or wait for commissioner Adams to be on the line?

Potter: Commissioner Adams, are you there?

Adams: Good morning, how are you?

Potter: Excellent. This is about to speak, we're just starting the proceeding.

Adams: Ok.

Bruce Warner: Good morning, mayor Potter, members of the council. For the record, bruce warner, executive director of the Portland development commission. I'll be very brief here. I think you have a resolution and then six ordinances that ultimately you'll take action on to implement the improvement that's are needed in the south waterfront area. To remind you in december of last year, the council asked p.d.c. to work with the parties to the central district development agreement and our city bureau partners to develop a funding plan for the north macadam urban renewal area which provided adequate and I think the quote was guaranteed funding for three important areas. Those were first off, the funding for the design and construction of the south waterfront neighborhood park, as well as the greenway. Second, the funding for the acquisition of future sites for affordable housing and the construction of the district's first affordable housing project. And then finally, which I think what drove much of this was funding for the completion of the aerial

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tram, and then also extension of the streetcar into this area. In april of this year we presented you the results of four months of work with our bureau of partners and with the development agreement parties in what was called the southwest public projects funding proposal in order to meet your request, and this proposal provided a number of things, first off was full funding for the first phase of the neighborhood -- the greenway in the central district complete full build-out to the approved standards. The full completion of the neighborhood park, that was both of these will be done about two years ahead of the original schedule that was developed a few years ago. It also provided funding and commitments for the immediate acquisition for affordable housing in the south waterfront area, which will guarantee land for more than 600 units of affordable housing and funding for the immediate development of the first 210 or more units. It also provided full funding with predominantly private sources for the completion of the aerial tram under a fixed price contract, and sue and greg jones will give you an update on the project which I think is really a good story. And finally I have to mention the plan did include full funding for the Portland streetcar extension, it assumed we were going to get \$2.1 million from the state of Oregon through the connect Oregon program, and i'm pleased to report we were successful and the transportation commission at the state level approved that \$2 million of funding in august. You approved the south waterfront funding proposal at your meeting on april 19. So before you today is acceptance of the eighth amendment to the south waterfront central district project funding agreement, which has been prepared as noted and titled to implement the southwest public -- south waterfront public projects funding proposal that you approved in april. I want to state for the record when you approve this funding proposal in april, I made a commitment to involve commissioner Sten's staff and the memorandum of understanding and the development agreement process related to the development of affordable housing on both blocks 49 and 33. There was a great deal of interest in making sure we understand the financing and programs of that project, and assuring the best possible agreement for the city. I also committed to move forward a housing project as quickly as possible and hopefully have it under construction in 2007. I want to you know those are still my commitments and I intend to work very closely with commissioner Sten's staff and you to implement that. We're working on the purchase and sale agreements for both blocks. If you approve -- accept the eighth amendment before you today, we'll be working hard to start the memorandum of understanding process and the development agreement process so we can bring those things for you. Our ordinance that will be approving the first amendments to the intergovernmental agreements between the Portland development commission and the office of transportation. Portland parks and recreation, and the office of management and finance. Your approval of these agreements, the ordinances that allow us to enter into these agreementless allow urban renewal funds to be used by these bureaus to deliver the projects identified in that proposal we brought forward to you in april. Larry brown, our chief negotiator putting together this package, is here with me to answer any questions you have on the eighth amendment, and we do also have as you see, members from pdot, parks and recreation, and office of management and finance to respond to your questions. What i'd like to do now is turn it over to miss keel and ask her to give you a quick report on the tram, because I think that's what got us here in the first place.

Susan Keil: Susan keil, director of transportation. I thought you'd appreciate -- thought you'd appreciate a short report on the tram project. We've successfully negotiated the lump sum contract change order with kiewit and doppelmayr as proposed last april. The intergovernmental agreement with odot has been approved. We had a little issue of whether we would be able to cross the state-owned highway. The intermediate tower was topped out during the summer, the milestone was met to turn over the upper station to doppelmayr on august 23. The sky bridge from the peter koehler pavilion to the patient care facility has been put in place. The cars have passed the final inspection, and shipment to Portland from switzerland is occurring. The rope pulling has begun, probably the most interesting thing that you've seen in the last few couple weeks. The rope bridge is complete,

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the scaffolding is in place, the fire bureau helped us with that first section of rope from the upper station to approximately barbur boulevard, and we used their new rope men to do that. The rope pulling will be complete in early october. The project is now 76% complete with 64% of the contingency remaining.

Saltzman: Say that again?

Keil: 76% complete with 64% of the contingency remaining. The subcontractors and doppelmayr and city staff are all working long hours to complete this complex project on time and on budget. And I have to give lots of credit to rob bernard for the -- rob per marred for the stepped-up performance there. Approval of these agreements. One more thing to tell you. A report on the sheltered market, they're at 33% on that, which is a very strong percentage. Their aspirational goal was 35% and they're sitting at 33 today. The approval of the agreements is essential to the financial stability of the project and consistent with the resolution that you approved in april. We have been deficit financing the project pending the implement of these agreements of these few weeks, and the amendment on the l.i.d. needs to go forward as well. I urge you to approve these agreements which will allow us to continue on as planned, and to unwind the deficit financing that's occurring now. Thanks. Eric johansson is here if you have financial questions too.

Potter: Questions from the commissioners?

Saltzman: What has the -- you said 64% of contingency remains, what is the 46% been spent on? Or 36%?

Keil: Greg or Rob?

Saltzman: I recall when we approved this in april the use of the contingency was really not seen as something that we needed, or that we sought to go into unless there were mutually agreed upon changes of work between us, ohsu, and north macadam. Am I recalling that correctly?

Greg ?: We did two things. First was to establish a lump sum contract in order to reduce the rest of the city, and we set aside \$2.2 million in a contingency fund to allow us to address changes that were desired or requirements that come -- came up during construction. We have had some of those and we have been working closely with ohsu when each of these change orders has come up. So we've gone through a process of consultation with ohsu and with p.d.x. as those changes were made to the project. Generally they --

Saltzman: These were changes that were desired, or changes that were required?

*******:** I think --

Rob Bernard: They're both. Rob bernard, transportation. To address your concerns, on the lump sum agreement there were four items outside the lump sum, mainly to do with electrical neighborhood improvements and some testing requirements. We've expended some of the contingency to improve some of our neighborhood improvement projects, we spent an extra couple hundred thousand in the neighborhood to improve the areas there.

Leonard: Can you give examples?

Bernard: Undergrounding utilities, tree planting, we'll be doing some curb and some paving, things like that, neighborhood improvements along gibbs street.

Leonard: That wasn't part of the --

Bernard: This is out of the contingency fund. We set aside the work on gibbs street as a separate item because the city was looking to increase our level of commitment to the neighborhood and doing more neighborhood improvements, and kiewit didn't know exactly what extent that was going to be so we set that aside and put a cap on it for their contract, and we've suspended some more money as part of our working with the neighborhood. We've also added some things for security cameras and things like that to improve the security of the facility. We've also acquired some spare parts now with the capital fund to reduce the long-term operating costs of the facility. So spending some of that contingency to buy spare parts to lower the long-term operating cost of the facility.

Saltzman: So the neighborhood improvements --

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Bernard: About \$200,000.

Saltzman: Were those envisioned as being contingency expenditures when we agreed on these last april, or were these that were somebody made a decision, hey, things look like they're moving along, let's tap into contingency to do these neighborhood improvements?

Bernard: Some of these things were at the final remeasure of when you're underer grounding and getting the electrical, doing the final remeasure of quantities, when you say this is what needs to be done to build the system, some went over what the estimated quantities were in order to actually fully implement the undergrounding. It was foreseen --

Saltzman: As a contingency expenditure when we signed off on this in april?

Bernard: The actual linear feet we did the final remeasure was more than we anticipated, but it was necessary in order to complete the work.

Keil: So no, it wasn't part of the original decision to use the contingency. It was the cost were higher than those that had been incorporated into the project.

Saltzman: I have nothing against undergrounding or neighborhood amenities, but via concern about using contingency at this point in time to do that. But --

Bernard: Some of that is --

Saltzman: I don't think we should be treating the contingency as, we're going to have this \$2 million left over, let's figure out what to do with it. Especially when we're 74% complete.

Keil: 76.

Saltzman: I feel good about the progress and everything seems to be going smoothly, I don't feel that luxury items such as the undergrounding amenities are appropriate contingency taps at this point in time.

Keil: Trust me, ohsu and the p.d.c. are not letting us just fund luxury items out of the contingency. There's serious condition on every --

Leonard: The point is the contingency was for the tram. And we're trying to understand the relationship between these projects.

Keil: It's neighborhood impact. Of the.

Leonard: I hear the words neighborhood impact. We're trying to understand the tangential relationship between what you're spending the money on and the reserve fund that was supposed to be for the tram for these other projects.

Bernard: When you go through, our consultant did an estimated take-off of the number of linear feet to underground the facilities. That was part of the contract. As do you through and you do the work, the number of linear feet was greater and the contractors paid for a foot of conduit. By the time you're doing done the work it was greater quantity than was originally estimated. And that was the set-aside on the lump sum. So the way to pay for that was out of the contingency. The contractor did the work, that was the method of payment. And there was no other way to get the things underground other than to install those conduits.

Saltzman: Are there any more anticipated amin type expenditures to be made from contingency between now and when this tram goes online?

Bernard: For the neighborhood that is closed out. As far as that contract the pedestrians bridge is not part of the tram contract and it's funded separately through federal funds.

Leonard: What's the progress of that?

Greg Jones: We have a contract with kpff, a local engineering firm, and a local architecture firm to do the scoping on the project. That initial meeting took place in june. We are now preparing to go to the design commission and then to a second public meeting in october to get conclusion on what the scope of the ped bridge should be. At that point we will file the prospectus or the information with odot and the federal government to move forward with intergovernmental agreement for the funds.

Leonard: Is the funding secured?

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Jones: Yes, it is. So there's --

Leonard: There's no contingencies --

Jones: It's secured funds. The schedule was to start design in 2007, and to construct in 2010.

Saltzman: Let me ask my question one more time. There are -- there will be no more nonconstruction-related contingency --

Keil: This was part of the original contract. So no it wasn't that it exceeded that which had been envisioned in there. So this was not an add-on luxury item after the fact.

Saltzman: That's my question. There will be no more add-on amenity considerations just because we think things are going well and we're going to have -- we still have a million and a half dollars left, we'll spend it.

*****: That would be very unhappy with us.

Bernard: There are items when we're done with construction that are for the long-term operations such as spare carriages and things that will be considered among the partners to spend remaining capital funds on long-term operating costs. But those will be when we're done. We did spend one item for spare glass because it was custom built and it was more cost effective to build than build two over the custom mold now than to do them later. So we elected as our partners to do that now because we needed, and it was more cost effective to do it this time.

Saltzman: Other than acquiring spare parts --

Bernard: I'm holding on to that contingency for dear life.

Saltzman: The process for deciding the contingency expenditure involves -- us, ohsu --

Jones: We have a consultation process that's been set up to discuss those contingencies with p.d.c., ohsu, and ourselves before we make any of those expenditures.

Adams: Mr. Mayor?

Potter: Yes, commissioner Adams?

Adams: I can't exactly tell who's talking, but I just want to remind council there were four areas that -- the reason we put the contingency in there is there are four areas of this project that are not covered in the lump sum agreement, and I think the kind of question that's are being asked today are absolutely appropriate, and are the kind of questions even when we have our project meetings ask, and ohsu and p.d.x -- p.d.c. And the private property owners that are funding a good part of this watch everything that we do very closely. The decision that's have been made up to this point in terms of being able to deliver on our promise for undergrounding with the neighborhood are -- [inaudible] the neighborhood as would be of no surprise didn't even ask us for more than is in the plan, and we have not used the contingency to address their -- how worthy it is. [inaudible] I might forward as part of the upcoming budget process. I'd like to question -- I like the questions, and I like especially the process in place internally we're asking those kinds of questions.

Potter: Thank you.

Leonard: I do have a couple questions. On page nine of the development, the eighth amendment to the development agreement, section 6.2.2.3, additional funds contributed by ohsu, it speaks to ohsu committing an additional \$9.5 million to partially fund tram construction costs. And it lists after that the sources of where that revenue may arrive from. And the final part subsection 5 says ohsu may get the money that they're going to pay from a transfer of tiff investment funds owed by p.d.c. to ohsu in an amount not to exceed \$3.4 million. What is that?

Larry Brown: I'll take that. Under the -- an earlier amendment to this agreement, there was an agreement between ohsu and p.d.c. That in the event that ohsu were successful in obtaining federal funds independently from the city's efforts, that we would set aside one-half of that amount in tax increment funds to invest in other public projects that they were -- they had the interest in. But they -- it would be made available to ohsu. They have asked, and we have approved in this amendment their request to use those funds that we currently owe them for their earlier successes for the

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district. And allowing them to use that as part of the funding for the tram obligation they've assumed.

Leonard: What was the manifestation --

Brown: They had secured an additional \$7 million in the -- from the federal government and appropriation that's were earmarked for the district.

Leonard: Via --

Brown: They were in fact, we'd earlier talked about the pedestrian bridge, they were transportation dollars that were secured independent of the city's own efforts with the congressional delegation.

Leonard: How do we know that?

Brown: We know that based on the information from both our governmental affairs office on what they were working on, and information that came from ohsu and their consulting team that was working in Washington on their own independent efforts.

Leonard: And who was their consulting team?

*****: The name of the firm --

Bruce Warner: The galeton group.

Leonard: Why didn't p.d.c., ohsu use the city's lobbying forces?

Brown: We did in fact use the city's governmental affairs office for fairly broad agenda of requests. Annually ohsu has their own independent efforts that have been very successful in the past as well. I think the decision was made, let's continue to work with our own consulting and lobbying and information gathering teams to do the best we can independently since that had been a formula for success in the past. We put all of our efforts that we could through our efforts with governmental affairs office and their staff and their staff in Washington to do the best that we could as a city. Ohsu independently supplemented that effort.

Leonard: Who does p.d.c. Use as a lobbying entity through Washington, d.c.?

Brown: We work through the governmental affairs office in the city of Portland exclusively.

Leonard: The next page, 6.2.28, page 10 of the eighth amendment, says that ohsu agrees that it will consider contributions to the cost of constructing the tram in excess of the funds I just remarked about -- and other funds by ohsu only in the event of an unforeseeable catastrophic event or an act of god. Why suspect the -- why doesn't the city of Portland have similar language protecting itself from a cost overrun? Why in an agreement where all the parties apparently are equal did we allow such a concession for ohsu, but we have none for the city?

Brown: I think this was an expression on behalf of ohsu that all the parties to the funding of the tram project had said these are the funds that are going in, urban renewal funds, funds from the north macadam investors and development group as well as ohsu, and it was believed to fully fund a \$57 million project with a lump sum contract. There's a great deal of confidence, we've heard that confidence is justified at this point, but the project will come in on budget and on schedule. There's recognition there could be something happening, a landslide, some event that couldn't be anticipated in the contractual negotiations to amend that contract for completion of the tram. Ohsu wanted to expression in this agreement that if something did happen of that nature, that they were still there to sit on with the city and look at what may need to be done in --

Leonard: That's what this says. It says they will sit down and look at it. It does not say if there is a catastrophic event they shall be responsible for the costs of reconstructing. It says they will consider contributions. If I was negotiating for ohsu, I would fight to get exactly this language n i'm wondering who's fighting for us to get language in to do the same thing for the city. Why isn't something like that in there?

*****: Commissioner, good question. Again, I think from ohsu's standpoint they would say we are the ones that are coming up with the majority of the money for the additional costs. And they did want to cap it. We said essentially no, if something unforeseen happens we need I back at the table.

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And I will guarantee if there was a catastrophic event we would have to go back to the table and figure out how to solve this.

Leonard: Not according to this. According to this they need only consider what you asked.

*****: The intent was essentially we will sit down and consider it. The intent was they will come back if something like that happens.

Leonard: I'm a firm believer you put in writing what you intend and that's not what that reflects.

*****: I think this agreement was not intended to provide an unlimited funding agreement for from all the parties --

Leonard: That's fine, but where is the similar language for the city that gives us similar leverage in the event of some catastrophic event or I hope this doesn't happen, but another cost overrun? There is no language in there. We are totally on the hook in my reading of that. Am I reading that wrong? If they get up and say we're not interested and walk away and the tram is not done, this language puts it squarely in our lap as I read it -- read it.

*****: I would think ohsu believes their contribution will fully fund the tram, and again, if there's other things going on as a result of the normal construction, things happen during construction, go beyond that fixed price and the contingency that we have, I think they would say they're done unless you have a catastrophic event or an act of god that's here. And I think that's what they're saying they would be willing to come back at the table at that time. So you are correct, this really did cap their liability and this again, may make more clear for them the limitations so they were willing to put their contribution into the tram.

Potter: Do we have a sign-up sheet?

*****: Yes, we do. We have three testifiers.

Potter: Please state your name for the record. You each have three minutes. Who is the first person signed up?

*****: Shelly.

*****: May I have the handouts first?

*****: Can we restart my time when the handouts are out?

Potter: We'll restart it.

Shelly Lorenzen: Shelly Lorenzen, I'm here on behalf of the league of women voters of Portland. With all due respect, I do not get this deal. I'm not talking about the tram piece. I'm talking about the huge give-up of contractual responsibilities by ohsu and n.m.i. with respect to parking garages and affordable housing. I'm talking about the massive amounts of new money that is flowing to ohsu and n.m.i. under this deal. The chart has been handed out is our best understanding of how the monies are being contributed and how the monies are being received. There's question marks in there because we do not have values to attach to certain things like what the value of n.m.i. no longer having to do the affordable housing will cost the city. We've asked, but the number has not been calculated what the effect of the reduction in the bump rate from 1.25% to .25% is. And we don't know that the full impact of any transportation s.d.c. credits that may be given to parties in the district. And I think in return for those big give-ups we are getting nothing of value in return. It is also -- the deal is also sitting precedence for funding ahead of the tiff and dedicating tiff funds to private parties who generate it. Why are we picking up half of ohsu's obligation to build a garage? Why are we picking up n.m.i.'s responsibility to build 400 units of affordable housing and paying them to buy their property to do so? Won't the city be better off leaving those commitments in place? I just -- I read this thing cover-to-cover, I've talked to people, I don't understand why those pieces of the deal are changing. And please don't tell me it's because of the gap obligation on behalf of n.m.i., because that is a totally illusory obligation. He has an out, the n.m.i. has an out. If there are adverse market conditions among many other outs. So the -- basically the gap obligation is in place as long as market conditions are good and a developer of course will develop in market conditions. If market conditions are bad, and that's when we need the gap obligation to kick in, the contract

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gives him an out. We've also had a failure of public process here, if you recall in april there was a 48-hour turnaround from the release of the document, the consideration by all the parties and decision by council. We were promised at that time that when the amendment came out we would have a full and -- a full public process procedure. Notice went out and the documents went out to all interested parties on friday for the hearing today. That is not an effective public process. Had we had the discussion in april perhaps we could have had a better discussion of all these important points. I don't know fits too late now, but if it's not, we'd sure like to have that discussion with you.

Thank you.

John Mohlis: Good morning mayor Potter, commissioners. John moles, secretary-treasure of the columbia pacific building trades council. I'm here to testify in favor of passage of the eighth amendment. It's apparent that the project is in the south waterfront, including the tram, are moving forward and have provided great opportunities for our members. Having said, that our support is based on the understanding that the park, the streetcar, and the greenway will be prevailing wage projects. We've been meeting with representatives from the affordable housing community and hope to have an agreement with them soon to clarify rules for their projects. And real briefly, the south waterfront apprenticeship oversight committee is meeting and making sure employment opportunities are available for everyone on these construction projects, including women and minorities. Thank you for the opportunity to testify.

Potter: Thank you.

Jerry Ward: I'm jerry ward, I represent ctlh neighborhood association on the north mad cam -- north macadam. I don't think it's in the taxpayers' interest to be paying out an additional \$38 million from Portland's general fund for the north macadam urban renewal area. North macadam already will be using approximately \$608 million of taxpayer dollars over a 20-year life cycle, including the interest. An urban renewal area should stand on its own feet, two feet, and be visible and not use money from the general fund. North macadam based on the proposed five-year budget, which is not even near complete, has over \$150 million and underfunded or nonfunded projects. Much of that is in transportation projects. Amendment eight sets a bad precedence for our city to be using general fund money to help bail out an urban renewal area. On a particular point of amendment eight, that demonstrates one of several examples of taxpayers giving too much in agreement is blocked 49. In reviewing page 41, 6.11.3.1, homer williams buys property for \$1.5 million a year ago, will sell to it p.d.c. For \$5 million, gets an additional 5 million credit for tram and streetcar l.i.d.'s, doesn't have to pay for the toxic site clean-up, gets housing credits to use anywhere, gets exclusionive development rights without public bidding for housing, gets affordable housing financing, tax credits, etc., gets free exclusive 50 parking spaces in the building, free rights to ground floor space and office space, and who knows what else. This is not in the public interest. And there's other examples that we can find. And there are more examples like this in amendment eight in regards to ohsu. And some of your question today is pointed at some -- has pointed some of those out. One of the parking structure, ohsu's parking structure. And which hasn't been touched on is over \$8.5 million -- \$18.5 million in what you can call incentive funds. In are four different categories in the proposed five-year budget now that benefits particularly ohsu. There is a conflict of interest that has happened in regards to our committee. There has been voting, particularly on amendment eight, where participants that are directly benefitted by this, ohsu being one and williams, williams and dales, have been voting on these issues, and that is a conflict of interest. And I hope you regard that comment as being particularly important.

Potter: Thank you.

*******:** One more signed up. I believe its martin chase. -- sam chase.

Sam Chase: Sam chase, community development network. I recently learned about this agenda item, so I haven't been able to do the analysis that I would like to do on it. And -- and so i'm not going to comment to the specifics of the deals in it. My understanding of what has gone into the

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affordability of these is indicative of the costs we face if we wait to invest in the affordable house down the road. There's a common argument that you have to do the increment building portion in urban renewal districts first, so you can build up the resources to invest in affordable housing. What happens is you can't secure the land in time and the costs of that quadruple. So eight years ago the city had a strategy to secure and bank land with the smart growth fund with the enterprise foundation, using those resource early and investing affordable housing resource early can save us a whole lot of money down the road. So I think that's a critical issue to think about as we approach future deals. The other is it's not clear to me how we're doing on the affordable housing strategy in north macadam. We still do not have a unit under development or even really planned out at this point. We're still working on site control three years after council adopted a housing strategy. So 562 units of affordable housing are supposed to be developed in the first 3,000, the first phase. The second 3,000 is much higher than that. That is to meet the citywide income profile. So it's not clear to me where we are on those. I think council should be asking question and getting information about how we're actually progressing and it would be a surprise to me if the -- even in the best case scenario we could get to the minimum targets that council said, which was 562 of raw affordable units in just that first phase. Thank you.

*****: Now we have one more, bob duncan.

Bob Durgan: There was no conflict at urac. I represent -- there's been issues, but we specifically pulled back because urac wasn't negotiating the deal, and after the city negotiated the deal, we took it on advisement and there was no official vote. It was a performer presentation, and we listened, but we did not vote on the proposal ahead of you, so there is no conflict. There's issues between the property owners, but urac and williams and dame didn't vote on this mission, or anybody else. I just wanted to clarify that I don't think there's been a conflict of interest. We stood aside for the city council and p.d.c. To vote on it.

Leonard: I do have questions based on the testimony. It's specifically to the chart handed out by the league of women voters. I don't know if everybody got that. With the -- with respect to the release of the affordable housing obligation and the contribution to the construction of the garage. Whether it would be appropriate for that. Do you not have a copy of the chart? Can we get a copy of the chart? You've heard the testimony by the league, and so I am curious about this issue of the affordable housing component that was originally negotiated into the development agreement, and then where that stands now.

Larry Brown: Larry brown, p.d.c. The affordable housing requirement obligation and the original development agreement which stands today was intended to ensure there was adequate land available in the future for development of affordable housing. It did not require that there be 100% private financing, or anything of that kind. The concern that was -- that we had at the times this agreement was put in place was that we could rapidly face a situation where all of the land was tied up for future development and we would not have the resources to independently acquire additional land for affordable housing in the future. So this agreement put in place requirement that n.m.i. Be the developer and provide land for 400 units of affordable housing. And then after certain other targets for development of market rate housing were reached, they would build more. The purpose was to secure with the major landowner of that district their commitment to provide the sites and the land for that work to take place. With our proposed agreement to the air rights to block 33, the super block, that would have been the site of 400 units of housing they would have built. Since they are now agreeing to sell that to us, we will control that site, it won't be in private hands, and they -- since the purpose of them having that obligation that site was just to secure the site for future development and reality, we basically met the intent and gone beyond it and now the public sector controls the future development of block 33, not the private sector.

Leonard: That's the -- block 49 releases the city from the obligation to develop 275 affordable units?

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Brown: In the case of block 49, it's a similar situation in that their agreement to sell that property to us in the future secures and guarantees the availability of that property for affordable housing. That site has the capacity in terms of its f.a.r. and zoning to do as much as 275 units. If we chose to do that. We are pursuing at the moment a concept that would not utilize all of that capacity on site in order to have a more efficient and cost effective development of the affordable housing by staying underneath the high-rise building standard. We're look currently at 200-210 units on that property. They're asking for credit for having sold and relinquished control of the site which had a capacity for 275, even if we had decided to use it for only 200 or 210. So they're asking for or agreeing to credit them for 275 units of some future obligation they may have to build more affordable housing in the future. That affordable housing agreement was meant to get a commitment from the major landowner and the district to making available property for housing development in the future. Whether it was them -- the -- as the developer or someone else.

Leonard: I'm going to look to commissioner Sten on this. You're our resident expert, and I have other questions to ask unless you can help.

Sten: This is at the heart of why I didn't support this agreement. I think it was negotiated too late, and it had too much advantage to the developer, and I think it's pretty clear that we paid too much for too little. But I don't know how to fix it at this point.

Adams: Mr. Mayor, can I ask some questions at the appropriate moment?

Potter: Are you -- do you want to relinquish to commissioner Adams?

Leonard: Yes.

Potter: Yes, commissioner.

Adams: Just so we're all clear, larry, what -- where are we at in terms of getting to in your opinion, where are we at in terms of getting to 30% in this district and what will it take to get there?

Brown: The 30% you're referring to, is that an income range, or affordability range?

Adams: Amount of the district proceeds that would go to affordable housing.

Bruce Warner: Commissioner I don't have the number this, is bruce warner. I don't have the number off the top of my head, but I want to say it was like 36 or 39% with assuming this funding.

Leonard: Affordable for who?

Warner: Part of this discussion is, we need to do -- look at the financing, look at the programming to essentially get the income levels that we want to have. And these projects.

Leonard: What are those?

Warner: In the agreement you see what we have right now, I think it was on -- let me see if I can find this for you, commissioner.

*****: That table wasn't changed.

*****: I think the -- if you look at 6.112.1, I have it on --

Leonard: In the eighth amendment?

*****: Yes.

Potter: 6.11 --

*****: Page 21. Is there a table there, required affordable housing?

Leonard: Yes. Got it.

*****: This gives you a breakdown of the units that we envisioned originally, and I think the question is do we want -- will we look at changing as to provide afford ability, and the answer is yes. The -- that's the next piece to come on 49 and 33. That's where we'll be looking at your direction, which we -- we have some pretty clear direction from you in terms of the income levels, so we'll be looking to, do we need to adjust this on our projects that we're going to work with n.m.i. And on our projects on top of the parking garage or elsewhere.

Adams: When there that -- when will that be done?

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Warner: The work on the memorandum of understanding, the development agreement will start after we receive approval from the council on the resolution again accepting this agreement. And we believe in the next few months, i'm saying next two to three months that we would be back with, you could see the pro formas and the financing and the programming of those dollars. As I said, I committed to involve commissioner Sten's staff in that effort.

Adams: The other question -- let me get back in regards to -- sometimes sit can at my kitchen table here listening to this, what was the date that you're going to get that again?

Warner: I'm hoping in the next two to three months we can have the agreement fleshed out in a way you could understand what we're doing.

Adams: The question I keep asking, I think the question on the minds of a lot of Portlanders is have we paid too much for some of the land and how do you guard against paying too much and the last time you talked about outside -- I just want to get some reassurance from you that we are not -- the taxpayers are not paying too much, we're not getting gouged.

Brown: This is larry brown again. We have concern about paying too much for land as well. We do have a commitment to secure land resources that must be controlled by us in order to move this agenda forward. There have been concerns about the dollar amounts paid for both the block 33 and 49, and I can address those very briefly for you at this time. We're currently agreeing to pay \$3 million for the super block, this is over two acres of land known as block 33 over the parking garage. We recently had that appraised at \$1.5 million. We have -- when we take the purchase price of \$3 million and we've also estimated an additional \$2 million to basically enhance that site so that we could build that affordable housing above the ohsu parking garage, which means our land costs will be roughly \$5 million, when we divide the proposed 400 units into that site, it would be built there, it comes out below the average cost we pay for land per unit in the central city. And I think by any arithmetic that is a cost for land for affordable housing that makes sense. We use independent appraisers to provide information for us in negotiating and acquiring sites often we pay more than an appraisal may show because they can't take into consideration all the issues that are important to us. But on the issue of whether --

Leonard: For example?

*******:** For example --

Leonard: In this example I thought I heard you say the appraisal was \$1.5 million but you paid three. What other factors weren't taken into consideration?

Brown: Looking at the value in use for affordable housing, if you look at the average costs we have per affordable housing unit in the central city, what's the value for that kind of use, we're typically paying.

Leonard: Does that affect the value of what you pay for a piece of property?

Brown: Often the value is associated of what the -- with what the land can and would be used for.

Leonard: Wouldn't an appraisal do that?

Brown: To a limited extent. In this case the appraisal which we can't determine the outcome of came out at \$1.5 million. Is that a reasonable price to pay for the property? We've come to the determination that in fact it's probably a better deal than our average land cost per project, in the central city of affordable housing projects.

Leonard: I don't understand. If when I buy a house I do get it appraised, I get a price as to the value of that house, and i'm certain the owner would like to explain to me why I should pay double what the appraisal said, and that would be interesting, but I would only pay what the appraisal said because that's the value of the house. I'm not understanding what that value has to do with something in the central city or los angeles, or new york. We're talking about a piece of property right there. I'm just not understanding --

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Warner: Let me try. This was the discussion we had in April too in terms of the value of the land. We didn't have that appraisal in hand when we were doing this negotiation because of the time lines, we were unable to have that. But I think what Larry is trying to say is that first off we've looked at this, we actually had appraisal -- the next step below an appraisal, we had understanding of what we thought the property was worth, we made our negotiations based on that and it was \$3 million for block 33 and \$5 million for 49. And there were two appraisals on 49 that showed we were right in the price range, and our last subsequent appraisal showed we were right there. So you could say that we are paying too much for block 33. I think what Larry is trying to say, if you look at analyzing a rat of what we're doing in terms of securing two sites available for affordable housing and are rapidly increasing market for the price of land, you look at the prices of land that are around there that are sold, this seems like a reasonable price for securing these two sites for over 600 units of affordable housing.

Leonard: It is accurate that I don't know which one the testifier was speaking to, whether it was block 49 or 33, but it is accurate we originally owned one of those parcels, sold it to the private sector for \$1.5 million and purchased it back for \$5 million?

Brown: No, that's not correct. I don't recall that comment, but that's not correct.

Leonard: I wrote it down when it was being testified to by somebody.

*****: I think they could -- I've not checked the records. We were not involved in selling the property --

Leonard: Originally?

*****: Right.

*****: No, we weren't.

Adams: -- I don't want to interrupt your thought.

Leonard: Go ahead.

Adams: Since the issue of land cost and how much we pay is the source of a lot of sort of behind the scenes murmurs, or -- my reputation that p.d.c. Or the city might pay too much for land, what kind of outside review or -- there's a lot of judgment in this thing, besides -- does the p.d.c. Commissioners themselves dig in to some of the judgment that goes into deciding if something costs more than the assessed value? What's that process?

Warner: Commissioner, I think what you're referring to is we often are purchasing property, we do an appraisal, we look at what it takes to essentially secure that property, and often times we will provide more than the appraised value, because it may be key piece of property for a particular development. And our commission does receive all those appraisals, they make decisions on those purchase of real property based on those appraisals, and we make certain we bring forward to them any differences of the opinions. I think what happened here is we are as you know we're look at a deadline that we needed to have closure on this quickly, and we needed to move with what we thought was the best information available at the time in April, and that's what you see before you. And again, had there been more time we could have done that, but I think the agreement when I think I'm trying to say is a reasonable agreement for the city and I think we can -- when we get done with the financing and the programming of the dollars and the various two projects, I hope we have projects, everybody can be proud of and obviously they will be very clearly open and transparent in terms of the agreement. So everybody can have an opportunity to review those.

Leonard: I don't think there's any question we're going to be proud of this development. I voted twice for the tram and I voted for the original development agreement. I was a part of negotiating some of that with commissioner Sten after I first arrived on council. But the question is, who can afford to live there? That's the issue I'm grappling with. Not it will be successful, I will stipulate that it will be successful. It's not that it won't be a landmark in the city, I will stipulate that to you. I've never questioned that. That hasn't been easy to do publicly. There are those that would like some of us to think everything that's happening there is bad. It's not. I understand that. But the

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issue is who's benefitting by this? And when I originally voted for this development agreement, the reason I look to commissioner Sten, because he led this part of the development agreement as in terms of the affordable housing. I thought as did the council at that time, that we were approving a brand-new community in the city that was going to be a mixed community. That is, income levels that were going to be mixed. As I look at your chart and as I look at the eighth amendment, I don't think that's happening. I think decisions were made that the impact of which if they were not understood, should have been understood to causes this district to be what it will be, which is an exclusive area for only those that have the means by which can afford to live in. And that's not fair. For the amount of public dollars we're investing, that's my only issue. It's not the way it's going to look, it's not the way it's going to function, I get all that. But i'm trying to argue for people who can't be here to argue for themselves, that this isn't fair. And it's disappointing.

Adams: If I could, commissioner Leonard, i'd like to follow up.

Leonard: Go ahead.

Adams: Like you and others on the council, i've been willing to raise a stink to make sure this is a district that has more diverse income levels and types of housing. I just want to make sure that, do you believe we will get to the 30% affordable definition that you sort of intuitively know the city council can support unanimously?

Leonard: I have to tell you, i'll let bruce answer, but i'm look at this chart, and I wasn't going to mention this, but the definition of affordability in this chart includes people who make from 101% to 120% of median family income. That bothers me. Frankly, the 81% to 100% of median family income disturbs me. As i've said, we ought to be focus on the 0-50%, 51-60%. But I have a hard time being able to justify in my mind that a family that's making as we've mentioned the last time, \$48,000 a year should can subsidized before a family that's making \$12,000 a year, or \$15,000 a year. And we have too many of those in Portland and i'm concerned that this chart that i'm looking at doesn't reflect the population that I think needs to be targeted.

Adams: I agree. I'd like to get a sense from the staff leader of p.d.c. What he thinks is --

Leonard: I just resist using the 30% affordable income housing kind of label because it misleads people into thinking that 30% of the housing is for people that i'm -- I think that I mostly think about.

Adams: That's why I added on to my statement, it needs unanimous support from city council.

Warner: If I could try to answer for you, commissioner, first off, I think make sure we don't confuse the 30% figures. I think in terms of the expenditure per u.r.a. or in aggregate in terms of tiff dollars, that's the discussion we've been having with you. I think what we tried to say is clearly in this district we'll be spending more than 30% on affordable housing. We've -- the message always has -- also has been received in terms of the type of housing that means for you in terms of income levels. When we look at block 49, we are going to be targeting that for the 0-60 m.f.i., with some units at 30% m.f.i. So I want to make sure we get that 30% and -- there's differences there. This is block 49, the first project we're planning on doing, the one we want --

Leonard: Are these numbers we're look at here on your chart, 167, 0-50%, 107 --

Warner: What you're seeing is those have not been changed since we put together the agreement in april. And --

Leonard: The block 49 numbers?

Warner: This is the aggregate for that, the first phase. The message is received, and we're look at block 49 and trying to bring down the income levels, you know, but it also is we're going to be look at how much do we have to put in to essentially provide that affordability. That's the question we'll be having. So will we be able to do as much as we'd like in that district with the price of land and construction any don't know, but we're going to give it our best.

Sten: When you say you think we'll get to 30, is that 30 aggregate total expect in the district or 30 going forward?

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Warner: I think with this we're look at well over 30%. The numbers I refer to --

Sten: When the district is said and done, 30% of the tax increment will have been spent on affordable housing.

Warner: I think we're look at that right now, we're going to come back with the implementation plan. I think october 4. So we'll have that dialogue. What i'm trying to say within this agreement if you look at this period of time we're at about the 36-39% level in terms of expenditures in this district. So we're well above the 30%. And intent is, when you get done you want to look back and make sure you have at least 30%.

Sten: We've already spent a lot of money. I also -- this is -- i'm quiet because I think we've agreed to an agreement that has to be implemented that I don't think we should have agreed to, I so I don't get you'll be able to change much I also want to be on the record that north macadam investors is not the whole district, and that's part of the flaw in the strategy here, was to rely just there and not acquire land throughout the district early on. Which was a choice we made, not a market condition. It was a strategy choice. So I just want to be on the record that I think these are important but also there's a broader district we should be going after as well.

Warner: If I could comment, I think it's important to note we are also looking at other properties, not specifically in the central district, but in the north macadam urban renewal area to secure for affordable housing. So there's other sites we're looking to secure because we do believe we need to make a real effort and secure those sites before the land continues to appreciate out of our ability to reach.

Adams: You still have the land that you bought from us at pdot, right?

*******:** Commissioner, that's correct. I think we consummated the agreement finally, but that's one -- those are some of the properties we're looking at, ones you own, pdot owns individually and ones the Oregon department of transportation and pdot own jointly. So those are -- we're currently in the negotiation and appraisal process to secure all of that property.

Potter: One clarification from me. What was the original number that the city council said in terms of immediate affordable housing, and we agreed it was 80% and under that would go into the first phase of development.

Brown: We're in the first phase now, and the agreement was for 400 units in the central district that would be sponsored by n.m.i. With the acquisition of block 49 we'll have done 200 of the 400 at ranges on the lower end of that range that we just talked about in the table. So we're trying in our first effort here in the district to address the income ranges you've talked about commissioner Leonard, with the acquisition of block 33 we're going to be able to add another 400 or more to what we're look at. We're going to stay in that same range there. We have a commitment in this development agreement to doing 400 units, we're going to be completing that fairly soon in the near future with 200 in block 49, and moving ahead in the future to block 33. But this agreement was look at 400 units.

Potter: You're referencing page 21 numbers? The 6 --

*******:** As the income ranges?

Potter: As the 400 units. My question was, 80% and under which removes some of these units from the affordable housing range. The question I think commissioner Leonard was getting to was, how many houses or units would be available to people at 80% and under?

Brown: We're showing of the 400 there would be --

Warner: It's about 247.

Potter: With the addition of block 49, how many -- 80% and under there?

Brown: So far we're looking at all of them being under --

*******:** All of them being under 60% and some of them below 30%.

Potter: And how many total would that be?

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Warner: We're look at 210 as a minimum. And it could be up to 275 as you heard. If we want to exercise all of the height abilities.

Potter: Somewhere between 460 and 500?

Warner: We believe with the property secured under this agreement, there's potential for 600 units and the first unit, the 210-plus is what we're looking at is what I described in terms of the income levels, and we've not yet will that discussion on block 33. We hear you loudly and clearly.

Potter: Further questions? Thank you. Was that all the people sign the up to testify? Please call the vote.

Adams: First I want to thank sue keel and rob bernard, and mark williams, and everyone at ohsu, p.d.c. and pdot in -- and our contractors who have been working so very, very hard to get the tram built on their revised budget and time line. Really it's been a lot of work, and I want it to be acknowledged. The p.d.c., my advice is to look at the way you acquire property and to the process, to see within the process to add maybe some outside volunteer -- there's appraisals that you do, and then there's the judgment after the appraisal in terms of other market conditions. And so the independent nonfinancial interests, nonstaff sort of advice that goes to the p.d.c. commission and eventually to approval of these kinds of council items and bond measures, I think we would all feel a little greater degree of comfort if you could bolster your sort of outside review of what happens between an appraisal and the final price we pay. I don't have anything more specific than that, but I think that you would benefit from it and I think that I would perceive it as well. I'm going to support the resolution and in doing so I reaffirm my strong commitment toward 30% of affordable housing, I do mean the 0-60, 0-80 and below is what i'm most interested in, and I appreciate bruce, your repeated acknowledgment that you heard the council on that loud and clear and i'll continue to dog it along my colleagues on council. Aye.

Leonard: Each of the five of us in our own distinct way is -- fights very hard for what we believe in. And when the moon and the stars align and we get a good night's sleep and we're particularly thoughtful, we can actually at times get other people to agree with us. In those instances your position carries the day. My position today will not carry the day. It isn't because I didn't get a good night's sleep last night. I did. But I also want to say that I think the reservations and concerns which are serious enough for me not to support this very important agreement are no reflection on the work commissioner Adams has brought to us since his arrival on the council a little more than a year and a half ago. In fact, i'm convinced that had commissioner Adams headed this up from its origins, the product would be looking at would be different and probably one that I could support. But I cannot in good conscience support an agreement that has provisions in it that do a pretty good job of protecting ohsu and its financial commitments in the construction of the tram, but all of the expense of the Portland taxpayer. It's not fair. It is imbalanced and I think does not speak well of our -- when I say our, the city's negotiating abilities. No.

Saltzman: Aye.

Sten: I don't want to take away from the work that staff has done to implement this over the last few months. I believe transportation has done a great job getting things going, and I just thinkway have a basically fundamentally flawed agreement. I can't see any way to vote for this when did I not support the construct that got us here. But I am glad to see us moving forward. Just some quick fundamental lessons, more for the audience than anybody else. If we're going to negotiate affordable housing deals based on market value, the market value needs to be locked in at the very front of the development, not after we've paid for the infrastructure. And then we go out and appraise it and say it's worth a ton more, we put in a tram so we have to pay more. We ought to negotiate the affordable housing land before we put in the tram. This is the fundamental reason I did not support the river district development agreement 10 years ago. I have learned from history, but I fear that our negotiators have not. We did not lock down that price of land at the time as we should have. On the -- the river district ended up being a great success for affordable housing,

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there's 1,000 units there. It's going to be harder to get it done here because of all the things that have happened. The agreement I helped negotiate that commissioner Leonard was getting a few years ago was that we would build the tram and the basic infrastructure first. And then the affordable housing second. The argument was pretty reasonable and I still think it was reasonable that you couldn't get anything done without the basic infrastructure. What I didn't predict was the run-up in funds. I also didn't predict the response to run-up in funds would be affordable housing kept going beyond all of the run-ups, never got a carve out and that the vast majority of the money that would go to affordable housing go to cost overruns. So that is what led me to propose what I believe is a policy that has unanimous council support that from the future we budget 30% on the front end for a clearly defined affordable housing so we don't have these debates anymore. I think it will serve everyone. That's the second item of trying to learn from past mistakes and trying to get them better in the future. So I think the next time one of these comes around we'll have a set aside in place, we'll have a strategy in place and be able to implement it. So I think bruce and the team at p.d.c. are working to implement that policy diligently, and I appreciate that. So those are things I think we should have learned before we negotiated this. The things that we've learned having done this, and I think those are ideas to move forward in this case I still -- I won't rehash my speech of april or may, I don't think we even under those circumstances got the agreement that we should have got, and I think the council moved too quickly on this deal without negotiating a little bit harder. So I vote no.

Potter: Aye. [gavel pounded] would you read each of the following ordinances? They will each be moved to a second reading.

Item 1189.

Potter: Move to a second reading.

Item 1190.

Potter: Move to a second reading.

Item 1191.

Potter: Move to a second reading.

Adams: Mr. Mayor. I need to say goodbye and good luck with the rest. [Commissioner Adams terminated participating by telephone]

Potter: Thank you.

Item 1177.

Leonard: I urge the council to vote yes.

Potter: I think we need a motion to accept the report. Was that a motion?

Leonard: Yes, I move to accept.

Potter: Second.

Saltzman: Second.

Potter: Call the vote.

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

Potter: Aye. [gavel pounded] please read item 1178.

Item 1178. Second reading vote only. Please call the role.

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

Potter: Aye.

[Items 1179, 1180 and 1181 were passed to a second reading]

Potter: Please read the next item.

Item 1182.

Potter: Please call the vote.

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

Potter: Aye. [gavel pounded] please read item 1183.

Item 1183.

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

Potter: Aye. [gavel pounded]

Item 1184.

Potter: Staff is here?

Leonard: I actually understand this. I'm prepared to vote for it.

Potter: Same for other commissioners? Please call the vote.

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

Potter: Aye. [gavel pounded] please read item 1185.

Item 1185.

Potter: Emergency vote please call the vote.

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

Potter: Aye. [gavel pounded] please read item 1186.

Item 1186.

Potter: Please call the vote.

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

Potter: Aye. [gavel pounded] 1187.

Item 1187.

Ed Rutledge: Mayor, council members, ed rutledge, labor and employ relations manager. This ordinance authorize as modification of p.p.c.a., Portland police commanding officers association and amends article 33a, which would include -- increase the amount of executive leave that is possible, not granted automatically but possible, and sometimes this is referred to as e-leave. Currently the contract provides up to 80 hours. This amendment would provide up to 120 hours per year. This amendment will obtain a form of internal comparability with p.p.a. Contract, Portland police officers association contract. Ppcoa members do not get on call or page are pay which became a feature of the ppc contract in 2004. I need to point out that the actual amount of e-leave that is granted to each member of the bargaining unit is the chief's decision so there is no maximum amount that is automatic. The amendment that you have today is the result of an ongoing dialogue that's been going on between the city and ppcoa since the 2004-ppa arbitration award and as I said is trying to get some internal comparability. There is an estimated cost impact here. That estimated cost impact on a five-year basis of excess of \$485,000. I need to point out is assuming that all members of the ppcoa would get the absolute maximum amount. As I said this is going to be a discretionary item on the chief's decision. The -- I would also like to point out that the potential cost for the moa is probably less than, much less than if we were to extend a page are pay or an on call pay such as is now the featured ppc contract to the members of this bargaining unit. This bargaining united is rather unique. These people are constructively on call almost all hours that they are -- both at work and at home. Further, the moa is result of collaborative process that parties have had a very civil dialogue over a long period of of time to get to this and we are hoping that the council will see fit to authorize amendment. Thank you.

Dave Benson: Good morning, mayor and commissioners. My name is dave benson. I am president of the Portland police commanding officers association. It's very good to see you again. Much has been said about labor-management collaboration, and I think this agreement is a model of labor management cooperation. It was outside the normal bargaining process. The commanding officers brought forward an issue to the city and worked, I think, through a, to a reasonable, logical solution that's before you today. It should demonstrate that when all parties are reasonable and thoughtful and honest that we can reach some reasonable solutions to rather tough problems. I really need to thank ed rutledge beside me here, yvonne deckard, chief sizer and former chief foxworth and certainly the mayor for helping us work through this process. I greatly appreciate it and I encourage to you support this ordinance before you today.

Potter: Questions? Thank you. Was there a signup sheet on this? Please call the vote.

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Leonard: I'm pleased to support this. And I do want to observe that there's been a distinct change in the tone and tenor of labor relations in the city of late. I really appreciate it and certainly want to acknowledge that. Aye.

Saltzman: Well, I too, want to acknowledge the new environment here. This is very, a very good -- sounds like a very good process that led to this agreement and I am pleased to support it. Aye.

Sten: I like seeing these keep coming in. Aye.

Potter: I want to thank b.h.r., the police bureau and the ppcoa for their collaborative work. Hoirkly executive leave was given in time off or as pay for bureau members who were not eligible for overtime for doing good work beyond the requirements of the job. I think it's important to provide leave in a reasonable, responsible and efficient manner. I have instructed chief size tore develop criteria for implementing article 33-a, b, c, d, and e that will incorporate a leave process. I am satisfied with all parties and look forward to tobied collaboration. I vote aye. [gavel pounded] please read the next item.

Item 1192.

Riley Whitcomb: Morning, mayor, commissioners. This is adjacent -- this it's a parcel of land that o-dot has that is next to the right of way on the east sight of interstate. It's about an acre and a half.

We have had it under lease for, since early -- I think it was 2001. That expired. We attempted to acquire it for use in the, at p.i.r. And that was one of the reasons why we are coming in under an emergency here. We had actually, the lease had expired back in may and we are looking -- we would approve this retroactively. There is a provision that, it's a five-year lease. A provision that provides for us to be able to terminate the agreement with on notice with one-quarter of a year's payment plus taxes. So we aren't tied in any more than that. There is an opportunity to extend it over two additional periods if we so choose and they agree. Any particular questions?

Potter: Questions? Thank you. Is there a signup sheet for this?

Parsons: There was and we don't have any testifiers.

Potter: Ok. Emergency vote. Please call the roll.

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

Potter: Aye. [gavel pounded] please item

Item 1193.

Riley Whitcomb: Riley whitcomb, Portland parks again. This is granting an easement in cooperation with hap and the new school out there, the rosa parks school. It basically provides access for their, for turn around and safe dropoff and parking for teachers during the day. We also have use of that in the offschool hours for public. But it provides them legal access to this. And the reason that it's on the emergency is school is open and we need to take care of it.

Potter: Please call the roll.

*****: Any questions?

Potter: Excuse me. Please call the vote.

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

Potter: Aye. [gavel pounded] please read item 1194.

Item 1194.

Potter: Second reading. Vote only. Please call the role.

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

Potter: Aye. [gavel pounded] recessed until 2:00 p.m. thursday.

At 11:44 a.m., Council recessed.

September 7, 2006
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.

[The following text is the byproduct of the closed captioning of this broadcast. The text has not been proofread, and should not be considered a final transcript.] * * * [roll call]

SEPTEMBER 7, 2006 2:00 PM

Item 1195.

Potter: Will staff please come forward?

Sylvia Cate: Good afternoon mayor and council members. I'm sylvia cate, senior planner with b.d.s. I am again standing in for mark, who is still on vacation. You'll recall last time I appeared before you we requested with the applicant's consent to request a three-week continuance, so staff and the applicant could continue working on a good resolution to the significant transportation issues that revolve around this case. If I may remind you, you first heard this request on June 22, and at that time you heard testimony from the neighborhood association neighbors, the applicant, representatives for the school district, Portland transportation, and representatives from odot. Generally the testimony was supportive of the proposal with the exception of potential traffic impacts on the neighborhood livability that could result from the installation of a median on southeast 82nd avenue, which is required by odot when a certain level of trips generated by development on this site and uses on this site that would occur over time. I just want to remind you that the applicant has been working with the city since February 2005 on a request to amend the comprehensive plan and rezone three adjacent parcels that are located at the northwest corner of southeast 82nd and southeast Bybee boulevard. And you should see on your screen existing zoning map and the proposed zoning map. I won't go into a great deal of details since you had a full hearing on this request back in June. Essentially the crux of this application, you'll see in this aerial photo indicates the potential area that could be impacted by spillover traffic once a median is installed in southeast 82nd avenue. Since the hearing I'm going to skip the approval criteria, I'm sure you're very familiar with that, and just go straight to status report. With the continuance, the applicant has worked with city staff, with odot, and with the school district to explore ways in which we can support the application, maintain housing potential that's required with this kind of zoning request, and determine when the appropriate levels of traffic mitigation should be triggered based on the intensity of the development and still ensure that the neighborhood is protected with -- from spillover traffic and livability is maintained. You have before you I believe a draft of a recommended condition of approval that Portland transportation has crafted in consensus with odot and the applicant that allows the housing potential to be developed, creates a phased development plan for the site that allows the applicant to achieve her initial phase one goals of developing office space as well as residential units. And then this structure of this condition of approval creates tiers of development potential that would trigger future reviews, so at that time in the future we can take a look at the full traffic counts and again let pdot and odot review the traffic analysis and determine when the mitigation measures are really appropriate to be installed and provide the neighborhood with an additional opportunity in the future to comment on future development. I will -- if you have any questions about this structure of that condition of approval, Jamie Jeffrey is here and she's really the expert who's been guiding us and getting this condition of approval drafted to address all the issues.

Potter: My understanding is the applicant, odot, school district, Portland transportation, and b.d.s. have agreed to this?

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*****: Yes, that's correct.

Potter: Ok. Questions? Ok. Would the applicant like to address the council?

*****: Good afternoon, city council, mayor. We've all been working very hard --

Potter: Please state your name for the record.

Samantha Dang: Samantha dang, the applicant, or one of the applicants for this proposal. Since our last hearing in front of city council, we have gone back and we have spoken and had a meeting with the school district as well as representatives from odot and pdot. Sylvia kate and jamie jeffries, and bob haley, and members of odot staff, ross and joseph, and we've all -- have agreed to this proposal that was submitted to you, and so we hope that you would take that into consideration and approve our application, despite the hearings officer's recommendation for a denial. At this point that we did not have a neighborhood meeting, and other things to address the traffic impact concern. I think since then we have been able to come up with a plan that meets everyone's standard and is also approved by the neighborhood association as well.

Potter: Thank you.

*****: Thank you.

Potter: The staff recommends tentatively granting the appeal and reverse the hearings officer's decision with conditions?

Cate: Yes. We're recommending that you overturn the hearings officer's recommendation of denial because the condition of approval addresses the concerns that he articulated to you in his report, and with that I neglected to mention that my apologies earlier that if you tentatively approve this request today, we will need to come back with revised findings and an ordinance for you to adopt, because those weren't prepared ahead of time because of the hearings officer's recommendation. And I believe I have worked with council clerk, it appears that we could come back before you with those revised findings and an ordinance on september 27. On a regular agenda, presuming that you do accept the recommendation to approve the request.

Potter: So we will be approving the requested comp plan amendment and zone change.

*****: That's correct.

Potter: We would incorporate the conditions at pdot that's proposed, and that the applicant and odot will agree to.

*****: That's correct.

Potter: That this then requires a council make a tentative decision which you'll bring back which will bring back findings for adoption in several weeks.

*****: Yes.

Leonard: Do you want to read what you think the motion needs to say, and then i'll make that?

Potter: Tentatively grant the appeal and reverse the hearings officer's decision with conditions. Is that the wording -- is that sufficient wording?

Kathryn Beaumont: I would make the clarification, with the condition that has been -- set of conditions that's been placed before you today in the september -- september 1 memo from mark walhood to bob haley.

Leonard: I will so move that.

Sten: Second.

Potter: Any any additional? Ok. Please call the vote.

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

Potter: Aye. [gavel pounded] ok. We'll be seeing you september 27. We are adjourned.

*****: That will be at the 9:30 regular agenda.

Potter: Yes. We're adjourned.

At 2:16 p.m., Council adjourned.