



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **28TH DAY OF MARCH, 2007** AT 9:30 A.M.

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

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

Agenda Item 310 was pulled for discussion and on a Y-5 roll call, the balance of the Consent Agenda was adopted.

COMMUNICATIONS		Disposition:
297 Request of John Patrick Liteky to address Council regarding bikes not being allowed on any sidewalks (Communication)		PLACED ON FILE
TIME CERTAINS		
298 TIME CERTAIN: 9:30 AM – Replace the Business License Law chapter of the Portland City Code (Ordinance introduced by Mayor Potter and Commissioner Adams; replace Code Chapter 7.02)		PASSED TO SECOND READING APRIL 4, 2007 AT 9:30 AM
299 TIME CERTAIN: 10:15 AM – Confirm appointment of Mark Edlen and Tad Savinar and re-appointment of Ernie Bloch and Carole Morse to the Regional Arts & Culture Council, terms to expire June 30, 2008 (Report introduced by Mayor Potter and Commissioner Adams) Motion to accept the Report: Moved by Commissioner Leonard and seconded by Commissioner Saltzman. (Y-5)		CONFIRMED
CONSENT AGENDA – NO DISCUSSION		
300 Statement of cash and investments February 08, 2007 through March 07, 2007 (Report; Treasurer) (Y-5)		PLACED ON FILE
Mayor Tom Potter		

March 28, 2007

City Attorney		
*301	Extend contract with Lane Powell, LLC for outside legal counsel (Ordinance; amend Contract No. 37185) (Y-5)	180845
Office of Government Relations		PASSED TO SECOND READING APRIL 4, 2007 AT 9:30 AM
302	Authorize contract with Ball Janik LLP for representation in Washington, D.C. on matters that pertain to the relationship between the City and the federal government (Ordinance)	
Office of Management and Finance – Human Resources		
*303	Create a new Nonrepresented classification of Police Human Resources Manager and establish a compensation rate for this classification (Ordinance) (Y-5)	180846
Commissioner Sam Adams		
304	Authorize payment to Ensign and Associates for specialized executive consulting services (Ordinance)	PASSED TO SECOND READING APRIL 4, 2007 AT 9:30 AM
Bureau of Environmental Services		
305	Authorize a contract and provide for payment for the construction of the Neighborhood Sump Rehabilitation Project No. 7837 (Second Reading Agenda 272) (Y-5)	180847
306	Authorize an Intergovernmental Agreement with Multnomah County Drainage District and Peninsula Drainage District No. 2 to design and remove a foot bridge north of NE 112th over the Columbia Slough and to design and replace two culverts at the Children's Arboretum (Second Reading Agenda 273) (Y-5)	180848
307	Authorize a contract with Brown and Caldwell for professional engineering services for the Columbia Boulevard Wastewater Treatment Plant Digester Expansion Project No. 8106 (Second Reading Agenda 274) (Y-5)	180849
Commissioner Dan Saltzman		
Office of Sustainable Development		
308	Consent to transfer of Dave's Sanitary Service, Inc. residential solid waste and recycling collection franchise to Heiberg Garbage & Recycling (Second Reading Agenda 278) (Y-5)	180850

March 28, 2007

Commissioner Erik Sten

Fire and Rescue

- *309** Accept \$499,729 grant from the Department of Homeland Security for Portland Fire & Rescue for equipment, upgrades and training (Ordinance)
(Y-5)

180851

City Auditor Gary Blackmer

- *310** Direct City Auditor to make entries in City lien docket to reflect obligations under Security Substitution Program and North Macadam Investors Funding Obligation (Ordinance)
(Y-5)

180852

REGULAR AGENDA

- 311** Revise Subpoena issued by City Council to Portland General Electric (Resolution introduced by Commissioners Leonard and Sten)
(Y-5)

36495

Mayor Tom Potter

Office of Management and Finance – Purchases

- 312** Accept bid of Dunn Construction, Inc. for the West Burnside sewer reconstruction project for \$2,140,740 (Purchasing Report – Bid No. 106908)
Motion to accept the Report: Moved by Commissioner Leonard and seconded by Commissioner Adams.
(Y-5)

**ACCEPTED
PREPARE
CONTRACT**

- 313** Accept bid of Sirius Computer Solutions, Inc. to furnish Enterprise Business System Servers and related products for the Office of Technology Services with an estimated annual amount of \$1,200,000 (Purchasing Report – Bid No. 107099)
Motion to accept the Report: Moved by Commissioner Leonard and seconded by Commissioner Saltzman.
(Y-5)

**ACCEPTED
PREPARE
CONTRACT**

Commissioner Sam Adams

Office of Transportation

March 28, 2007

314 Assess benefited properties for aerial tram improvements in the Portland Aerial Tram Local Improvement District (Hearing; Ordinance; C-10009) Motion to overrule the remonstrances: Moved by Commissioner Leonard and seconded by Commissioner Adams. (Y-5)	PASSED TO SECOND READING APRIL 4, 2007 AT 9:30 AM
Commissioner Randy Leonard 315 Authorize a \$250,000 grant to the Portland Rose Festival Association for Rose Festival 2007 Centennial Celebration costs (Ordinance)	PASSED TO SECOND READING APRIL 4, 2007 AT 9:30 AM
Bureau of Emergency Communications 316 Declare the week of April 8 through 14 to be National Public Safety Telecommunications Week in the City of Portland (Resolution) (Y-5)	36496

At 11:03 a.m., Council recessed.

March 28, 2007

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,
OREGON WAS HELD **THIS 28TH DAY OF MARCH, 2007** AT 2:00 P.M.

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

Commissioner Adams arrived at 2:14 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Jim Van
Dyke, Senior Deputy City Attorney; and Ron Willis, Sergeant at Arms.

	Disposition:
<p>317 TIME CERTAIN: 2:00 PM – Create a local improvement district to construct street and bridge improvements from the Columbia Slough to Alderwood Road in the NE 92nd Drive Local Improvement District (Previous Agenda 235; Hearing; Ordinance introduced by Commissioner Adams; C-10020)</p> <p>Motion to accept amendment to adopt the modified square footage assessment methodology in memo from Portland Office of Transportation dated March 27, 2007: Moved by Commissioner Leonard and seconded by Commissioner Saltzman. (Y-4; N-1, Sten)</p>	<p>CONTINUED TO APRIL 25, 2007 AT 9:30 AM AS AMENDED</p>

At 3:16 p.m., Council recessed.

March 29, 2007

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,
OREGON WAS HELD THIS **29TH DAY OF MARCH, 2007** AT 2:00 P.M.

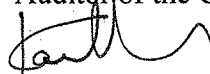
THOSE PRESENT WERE: Mayor Potter, Presiding; Commissioners Adams, Leonard,
Saltzman and Sten, 5.

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

<p>*318 TIME CERTAIN: 2:00 PM – Extend moratorium on development within commercial and industrial zones on Hayden Island (Ordinance introduced by Commissioner Adams; amend Ordinance No. 180475)</p> <p>Motion to accept amendment to modify directive “a” to read “Ordinance No. 180475 is amended to extend the moratorium imposed by that ordinance from April 4, 2007 to and including July 5, 2007 by amending directive “e” to read: “This moratorium shall expire on July 6, 2007, unless the Council extends it in accordance with state law.”: Moved by Commissioner Adams and seconded by Commissioner Leonard. (Y-5)</p> <p>(Y-5)</p>	<p>Disposition:</p> <p>180853 AS AMENDED</p>
<p>319 TIME CERTAIN: 2:45 PM – Amend the Transportation System Plan and Comprehensive Plan to ensure that the documents remain current and to incorporate new policy language (Previous Agenda 168; Ordinance introduced by Commissioner Adams)</p> <p>Motion to accept amendments in Office of Transportation memo dated February 6, 2007: Moved by Commissioner Adams and seconded by Commissioner Leonard. (Y-5)</p>	<p>PASSED TO SECOND READING AS AMENDED APRIL 5, 2007 AT 3:00 PM</p>

At 3:10 p.m., Council adjourned.

GARY BLACKMER
Auditor of the City of Portland



By Karla Moore-Love
Clerk of the Council

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

March 28, 2007
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.

MARCH 28, 2007 9:30 AM

Potter: Before we begin, we do something each wednesday morning, and that is to ask a question of the folks in this room and at home. The question is, how are the children? Then we ask, we know when the children in the community are well, the community itself is well. So this morning we asked a young person to come in and talk with us, and so what I would like to do is to have jacob please come up. You look very nice in your boy scout uniform. Can you tell me what the badges are for?

Jacob M. Wittren: Merit badge, and I completed all of them, and -- yeah.

Potter: You know, I read some of your background, and it said that you recently collected over 12,000 books.

Wittren: 15,000.

Potter: And delivered them to different charities. That's pretty amazing. How old are you?

Wittren: 13.

Potter: 13,000. Of course that -- I guess that figures. I'm very, very proud of you. I know you're here to talk to us, why don't you go ahead and tell us what you'd like us to know.

Wittren: My name is jacob, and I am 13 years old. I am in seventh grade in southeast Portland. I have never miss add day of school since preschool. I also attend boy scout troop 108, the coolest troop in Portland. I am a first class -- the secretary here sent me some basic questions only if I want to use them, so I decided to use her questions, so here it is. I wrote lots of speeches for this and couldn't decide on the right one so if it's ok with you, I would like to read a couple paragraphs. How are the children doing today? The children doing today are doing ok. If they are on the right road. But they need a lot of support and love and encouragement to be on the right road. I am a kid and I am doing great. I am surrounded by support and encouragement for my family, troop, school, and scout leaders. Where do you live and what is your neighborhood like? I live in southeast Portland in a house my parents are buying. We live next to a city park. My neighbors and I would like more police near the park. The park at times is not safe. There is a lot of mean kids out there and they don't respect other spaces. If everyone follows rules and just be respectful to other space and more security. What would make your school more successful? I think my school is successful school and it has a good security system there too. But there is a lot of bullying there. I think the kids could learn better if they knew they were safe at all times. School could be a safe place for kids in order for us kids to feel safe and good about ourselves. We need a clean school that has protection. We need after-school activities to do that are staffed with caring people that will encourage us kids just to remember teachers, staff, leaders, what you teach us today. Because one day us kids will be adults in the community. We will be the future doctors, bus drivers, and mayor and some criminals, but if you adults continue to support us, the future will be filled with more happiness and not full of bullies. What would you like the mayor to know about you? I love school and church and scouts. I like doing community service, I have in the past cleaned an old lady's yard up where it's helped others, and that took a couple months to do. And I put together a teddy bear drive for foster kids. I put together school supplies, clothing drive for my school. And I help with adopt a soldier program. I have for the last two years been collecting new books and delivering them to different charities around Portland. I have been the top collector both years, this year the

March 28, 2007

dollar amount donated was \$13,005. Last year I got a certificate signed by president bush and this year i'll get the same thing. Everything is all good.

Potter: Jacob, for your age you're a very wise person. Thank you. [applause] thank you for being here. This is jacob's family. And some friends -- a friend from the boy scouts organization. So jacob, I know this is spring break, and thank you for getting up early and coming down to city hall to talk to us. I appreciate that.

Leonard: Thank you.

Potter: April? Is april here? Do we have someone -- ok. Could you please come forward? We have with us today a group of students from grant high school. They belong to the reach program, reaching and empowering all people. Liz, what's your last name?

Liz Walker: Liz Walker.

Potter: Could you tell us a little bit about r.e.a.p. And what the grant high school program does? Franklin and david douglas? Ok.

Walker: I attend grant and i'm a sophomore. I'm part of the r.e.a.p. Basically we have a black studies class, and we talk about current issues and we get outside support, just that class. It goes outside of school and everything. We have a tutorial where -- which is after school where it's homework help, and you get help on all your homework. And we have teachers that come down there, and it's for an hour and a half on tuesday, wednesday, and thursday. Basically the program has helped me a lot because most of the teachers I felt didn't care, since mr. Jackson and mr. Chiles have started -- have worked in the class. My grades are coming up. It's helped me out a lot, and I want to thank you guys, tom Potter and you also for funding the program. Yeah.

Potter: Good. Thank you, liz. Could we have all of the r.e.a.p. Students stand up? Let's give these young folks a hand. [applause] thanks for speaking with us today. [gavel pounded] city council will come to order. Karla, please call the roll. [roll call] I'd like to remind folks prior to offering public testimony to city council, a lobbyist must declare which entity he or she is authorized to represent. Please read the communication.

Item 297.

Potter: Have you three minutes.

John Patrick Liteky: I'll be quick. Thank you. I used to be a boy scout, but I made it to tender foot and they kicked me out because it rained in my tent and I left. Since then I moved to california where I eventually became county supervisor. I was a hippie supervisor in santa cruz. But on the board we passed -- we wrote the book on bicycle paths, lanes, trails, long before Portland had paved streets and sliced bread, I imagine. And we kept all of these things off the sidewalks for a reason. The pedestrians. It's a sidewalk. I've been hit three times by bicycles. One of which resulted in a heart attack two weeks ago and I went to the hospital. I'm a veteran. And I went to the v.a. Hospital. I used to ride a bicycle. I can't anymore because of strokes and things. It's for sale, if anybody is interested i'll give you my card later. Anyway. I went to the police department, I called the city hall, city councilman Adams' office and the young man there whose name I forget, gonzalez or something -- it wasn't gonzalez. Anyway -- guzman --

Adams: Saviar Gonzales.

Liteky: Anyway, he said there is a law against the bicycles on the sidewalks already. And it's the police department has to take care of it. I went down to the police department and I was hit by a bicycle on the way. I was just crossing the street from the -- where the bikes go along the river. And when I try to walk along the river there, they come whizzing by like they own the road. Both towards you and the way -- and from the front. Bicycles, no bikes on the sidewalks. They yell back things at me I can't say because of the boy scouts here. And I won't even -- they said some bad things.

Adams: These are bicyclists on the bridge sidewalks?

Liteky: Right next to the river.

March 28, 2007

Adams: The esplanade.

Liteky: Is that what you call it?

Adams: The esplanade bikes are allowed.

Liteky: The thing is, I was hit there, but also on the streets of downtown Portland. You see. And I yelled back at them. That's against the law. And they yelled back other funny things. And i'm going to carry a sign with the ordinance number. Because I yell back, you could wind up in jail. That's against the law. Plus it causes -- i've seen people get hit. I've seen people with strollers almost get hit. I don't get it. Here's the thing. I went to the police department of to try to report it. You know what happened, we don't take that information here, you have to call in. Here's the number. I call them, we can't take your information right now. Give us your name and number, we'll call back within four days. It's a good thing I wasn't reporting a bank robbery, you know. And so what i'm trying to emphasize, if you're going to allow bicycles on the sidewalk, paint the lines where they're supposed to stay in, because otherwise it's a free for all. It really is. I'm not against bicycles, I used to have one. But I can't ride them anymore because of my health. I moved to Portland 12 years ago after I got out of prison after nonviolently protesting against the first gulf war.

Adams: When you called the nonemergency line to report had you been hit by a bike --

Liteky: They didn't -- nobody even answered. They said call back within four days because nobody is here to take your call.

Potter: The nonemergency line at the police bureau?

Liteky: I went into the police building over here on whatever it is, madison --

Potter: I have your information. Is it liteky?

Liteky: Correct.

Potter: I will have the chief -- i'll give this information to the chief.

Liteky: Thank you. I didn't vote for any of you. I hope you don't hold that against me.

Adams: Not until now.

Leonard: We'll get back to you in about four months.

Liteky: I hope i'm still here. Thank you very much. [laughter] god bless the boy scouts too.

Potter: That was the only communication. Do any commissioners have any items to pull off the consent agenda?

Leonard: I do. I had a request to pull. Item -- 310. I have notified in advance the clerk. Item 310.

Potter: We'll hear 310 at the end of the regular agenda. Any other? Any member of this citizen group wish to pull any item from the consent agenda? Hearing none, please call the roll.

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

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

Item 298.

Adams: I'd like to report about the venture capital issue, which came as part of the discussion of the resolution that directed the authorizing and consideration of the ordinance before us today. It will be an administrative code change that does not require council action, but we have a group together that includes the staff of the bureau of revenue, folks in the venture capital -- business of venture capital and we're hoping to complete an option for consideration by stakeholders in the next few weeks. The second update i'm pleased to report that my office, we've been able to visit with the county board, and we're working to make similar changes that we made in terms of reducing the burden of small businesses of the business income tax. That county cheering committee is chaired by commissioner jeff cogan. The code changes we have before us today increases the b.l.f. gross receipt deductions from \$25,000 to \$50,000. As did I before, but I can never reiterate enough, I want to thank sue klobertanz, shane, there's shane --

*******:** He moved.

March 28, 2007

Adams: Shane from the city attorney's office, and the very small and talented Terry Williams, who knows this issue for better than any human being should.

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

Adams: Thank you. Please proceed.

Sue Klobertanz: Mayor and council, my name is Sue Klobertanz, director for the revenue bureau. Because Sam really just outlined the great deal of work that's been going on, I will keep my remarks very short. As you know, the ordinance you have before you is a result of a very long process, and you've received considerable testimony on the -- what we call b.l.f. Reform pieces of that. I won't -- and as Commissioner Adams just summarized, the two main items of that is the increase in the gross receipts exemption to 50,000, and what we call the honors -- owners comp allowance deduction is raised to 80,000. In addition, there are a number of housekeeping items that the revenue bureau has been working with the city attorneys on for a number of months. Those housekeeping items are not substantive, they are technical clarifications of gray or confusing areas or changes that need to be made to keep us consistent with the federal tax terminology. Those changes do allow us some increased ability to collect past due accounts and also sharing of information between bureaus so that in our experience if a business owes one bureau they probably owe another bureau, and the new language will allow us to compare data so that we might better and more efficiently collect the city revenues. And one last item is the ordinance before you does add two new penalties, one for computer hacking. We are not aware we have had any problem, but this would allow us to deal with that should that happen, and the other penalty is for frivolous filing that takes a great deal of staff time when someone refuses to file based on their civil rights or what have you. So this gives us penalties should that happen. Let me just stop there because we've had so much discussion and testimony on these items, and as Sam indicated I really need to thank Shane and Terry and also Scott Carter, who is our revenue audit supervisor in the revenue bureau, for all of their hard work. And as the young gentleman just said earlier, I think all is good.

Saltzman: I know you sent me a memo on this, but could you outline in a little detail the process by which we will get through doing something for venture capital investment funds? We heard a lot of compelling testimony that they've all moved because of the -- our b.l.f. And these are the types of businesses we want to have I think in Portland. Because they do fund so many of our emerging businesses and industries.

Terri Williams: Terri Williams. License division tax manager. We've had an initial meeting where we've had c.p.a.'s, attorneys, venture capital firms and city of Portland representatives there to talk about the overall issues. To try to understand the nuancing, and then where we go and how we draw the appropriate line. So it takes a little time to understand and ensure we do the right line drawing if you will to make sure that we don't over exempt or take out more than what we really want to do there's some homework assignments as a result of that to make sure we have adequate information. I believe what we'll probably end up doing is looking to an administrative rule. Because that would encompass both the city and the county and would I expect we will draw it very similarly to how mutual funds will have a deduction, and we'll try to create something similar to that. We need to understand all the nuance and make sure we create it just right, so that takes time.

Saltzman: I read you're all on hiatus because it's tax season. Can you give us a rough time line when you can expect a group to make this recommendation?

Williams: We didn't set the next meeting but I would expect it to be around the beginning of May. We probably have another meeting or two, draft an administrative rule, and the revenue bureau will hold public hearings on that rule and we'd be able to adopt it following that. So between the 10 and 30-day notice benefit public hearing, so I would expect it to happen within two to three months.

Saltzman: You don't need anything in an authorizing ordinance?

March 28, 2007

Williams: You've already authorized through this code for us to adopt administrative rules.

Adams: It would be my intention to bring it back to council as a report so council has the ability to comment on it and the public has the ability to comment as well. Everyone on council, commissioner Sten and others have expressed concern about this. So I thanks.

Potter: Other questions?

Moore: We have one person signed up.

Potter: You have three minutes.

My name is judy crane. I operate who man's bar and holman's bar and grill. I serve on the small business advisory council where I chair the cost of doing business committee. The reason i'm here is to number one, thank you for passing this action, and to say that our committee has spent several sessions with sue and scott carter looking at this issue and spent a lot of time looking at what it is they're proposing, and i'm here to tell you the small business advisory council unanimously supports the change that sue is suggesting.

Adams: Thank you.

Potter: Thank you very much.

Moore: That's all who signed up.

Potter: Any further discussion? It's a nonemergency, it moves to a second reading. When will it be heard?

Moore: April 4. It will be on the 9:30 regular agenda.

Potter: The next one is at 10:15. Let's move to the regular agenda. Could you read 310?

Item 310.

Potter: I had a request from the citizen to pull this to be discussed. So I appreciate any information you can give to explain precisely what this accomplishes.

Eric Johansen, Debt Manager: I'm eric johansson, the debt manager. The ordinance in front of you today is necessary to allow the auditor's office to bill for payments due under notes and trust deeds resulting from the security substitution program that council approved in september of last year. As you may recall, the security substitution program was authorized by council to allow property owners in the tram and gibbs streetcar l.i.d. To essentially move l.i.d. Obligations from one property within the l.i.d. To another. The request for this ability was initiated by north macadam investors in the eighth amendment negotiations. However, a notice was provided to all property owners within the l.i.d.'s, notifying them of the availability of the program, and giving them the opportunity to participate. We sent that notice out in the end of november and I took several phone calls and emails from citizens about you the only ones who elected to participate was an m.i. So this program was available to everyone, but the only -- the only assessed property owner that took advantage was n.m.i. The ordinance itself simply directs the auditor to make entries in the city's lien dockets for the recorded trust deeds for the l.i.d. Obligations as well as for the \$2.5 million obligation entered into to provide additional funding to the tram. So essentially all this particular ordinance does is -- accommodates the ability to build a payment due under these trust deeds. If we don't have that ability to do it we have to find some alternative mechanism to do the billing for both the l.i.d. Trust deeds as well as for the \$2.5 million obligation. This is in my mind an administrative item that follows as part of the security substitution program.

Saltzman: The \$2.5 million that is going to be liened, that is the charge to n.m.i. For the increased cost of the construction of the tram?

Johansen: Correct. That part of the negotiation was that n.m.i. Was putting in the additional 2.5. We've entered into a trust deed and note for that obligation and they're currently paying under that particular note.

Leonard: If they're doing that why are we lienning the property?

Johansen: In order to protect our interest in the property.

Leonard: Thank you.

March 28, 2007

Potter: Does anybody want to testify?

Leonard: I'm not sure.

Moore: We had one person sign up. Amanda Fritz.

Amanda Fritz: Good morning, Amanda Fritz, speak only for myself. Thank you for pulling this item. My first question is, what was the purpose of requiring an ordinance to allow these changes in the first place? If it's a fairly routine thing, why have it on the agenda? Second question I have is, would this item be on the agenda if the proposed form of government is changed? If there's a value to having it on the agenda, my understanding is that it wouldn't be on the agenda under a more administrative form of government. And that's a question that I have. The third question that I have is why allow deferred payment when we need the tram to be paid off. And the fourth request that I have is that when you as city commissioners have items on the agenda, it's really difficult for citizens to find out what they mean. And I had assumed that you would have received a briefing on every item on the agenda. I have a blog, amandafritz.com where I preview the city council agenda every week on Friday or Saturday. It takes me two to three hours to figure out, to try to find information about items on the agenda so I can explain to citizens who might be interested what they mean. And it seems to me it wouldn't take very much time, the staff already are preparing these items for your attention, to have links on the agenda, even on the front page of Portland online. There is a section on Portland online called new policies, issues, it's never since I've been doing this on my blog, it's never had any of the issues that are coming up on the following Wednesday. And it's really difficult for both citizen and for you as commissioners to find out what these items on the agenda mean. And it seems to me one very simple thing we could do without changing the entire form of government would be to make this information available. I'm sure the staff are already preparing their reports on a computer, and it takes very little time to set up a webpage or post a paragraph that would explain to citizens what does this mean, why are we doing it this way? That way there would be more confidence, more open government, and people would be accountable for the things that they're going through on the council agenda.

Leonard: I actually agree with you. I think the form of government aside, the agenda items, I too have a time -- have at times got home, didn't bring my material, went online to try to find something about I was interested in and have a hard time navigating, finding it. So I think it is a good idea for us to discuss how to make our agenda available online, click it and whatever relevant information is at that link. And I think that's a good suggestion. I don't know that it's exactly relevant to this discussion, but the broader issue of having information accessible and transparent I think that's a good point.

Fritz: If I may, I think it is relevant to this discussion, because people do care, particularly in South Waterfront, about the way tax dollars are spent, the way developers are assessed. And it sounds like there's good rationale for this particular item on the agenda. I don't have enough knowledge myself to know whether there is or not, but I know there are people in the community who care and who would have that information. If people knew that we were doing things properly there would be more confidence that the next time something comes up, that they don't have to go back and double-check it. So if each one of you, when your bureau puts something on the agenda, could make sure, maybe even fits not on the main page, fits either on your commissioner page or if it's on the parks and recreation page, or if it's on the official city liens page, this item was not on this, is the page you can find out all about city liens, it's -- it shouldn't be that hard.

Leonard: It shouldn't.

Adams: Karla, do you --

Moore: The auditor's office is working on getting those items available online. We receive requests for a lot of items each week, and we certainly make accessible, if you've had problems calling the auditor's office and couldn't get those items, I'm sorry, but we -- when we get them from your offices, we make them available once we release the agenda, but I understand a weekend you

March 28, 2007

certainly can't get ahold of us. But we're trying to make that -- we're working on that electronically.

Fritz: I appreciate that. It takes me two to three hours to look for the links. So I don't think it should be up to the auditor's office to ask, please send me all the information on your item. It should be readily -- even if not posted with the agenda, which would be ideal, on your commissioner office's page, or on your bureau's page.

Adams: It's a great idea, but given this relatively modest staff we have, I think having the -- except for those that we're sponsoring, I think our bureaus if given the electronic option to load it into your form, Karla, is --

Fritz: You would be responsible for sending it rather than the auditor's office having to ask for everything.

Moore: That's what they do now.

Fritz: Send it with the links --

Moore: Right.

Fritz: Thank you very much.

Potter: Please read item --

Leonard: We have to vote on that one we just talked about.

Potter: Ok.

Adams: Did we want Eric to answer her questions?

Johansen: I heard two questions I can respond to. Why is this ordinance coming forward. My understanding is the auditor's office and the city attorney's offices wanted to be certain the auditor had the authority to put these particular items on to the lien docket. I do want to correct one thing, there is no deferral of payment under this program. And -- n.m.i. Is making payment on the l.i.d.'s on the exact same terms and all other assessed property owners in the l.i.d. Will be making their payments.

Potter: Further questions? Thank you. Call the vote.

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

Potter: Aye. [gavel pounded]

Potter: Let's go to item 311.

Item 311.

Potter: Commissioner Sten.

Leonard: I've got something to read.

Potter: Okay.

Leonard: Thank you, Mayor Potter. In introducing this resolution I'd like to make a couple of points. A year ago the city sent a subpoena to p.g.e. for certain records related to their business. Focused particularly on tact decisions, relation was Enron and participation in the wholesale electricity market during the California energy crisis. Our goal is in general to determine if p.g.e. has been operated in the public interest and then to consider things the city might do to make sure p.g.e. is operated to promote the public interest of our citizens in the future. P.g.e.'s reaction to the subpoena was to file a lawsuit challenging the city's fundamental right to issue the subpoena. P.g.e. has claimed the subpoena was unreasonably broad and costly to respond to. Finally, last week through litigation discovery, we have learned some of why p.g.e. thinks the subpoena is unreasonable and burdensome. Put most charitably, p.g.e. interpreted the subpoena to be the broadest possible interpretation and did not bother to come back to the city to seek clarification or limitations prior to following its lawsuit. Point example, p.g.e. now tells us that it has saved all recycling from all p.g.e. offices for four years. And it assumed we wanted to go through that page by page to find anything that might be relevant to our subpoena. To be very clear, and on the record, we don't want p.g.e.'s recycling. We want to see p.g.e.'s records, and to be clear once more, not it's recycling. The information the city seeks from p.g.e. is very important. But it was never

March 28, 2007

our purpose to impose unreasonable and unnecessary burdens on p.g.e. in providing the information. Now we finally understand more of p.g.e.'s objections. We believe we can narrow the subpoena to address some of p.g.e.'s concerns. While still getting the information the city needs. There is a trial in the p.g.e. lawsuit next week and we want to make sure this resolution to amend the subpoena is passed before the trial. We hope that this will allow the court to focus on the important issues in the case rather than spending its time on theoretical disputes about how much it will cost p.g.e. to look through its recycling. Thank you.

Potter: Do we have public testimony?

Saltzman: I had a question maybe for I guess -- i'm looking at terry thatcher. I'm assuming you're our litigator on this?

Terry Thatcher: Good morning mr. Mayor, members of the Council. I'm terrance thatcher I'm a deputy city attorney, and I am working on the litigation related to the p.g.e. subpoena. I note we have an executive session tomorrow to talk about litigation strategy. But I am here if I can to answer any questions. Commissioner Leonard has I think very well described the primary purpose of the resolution we're bringing before you today. It's a narrowing resolution. It is not a resolution to pull back the subpoena, it's merely to clarify the nature of the records the city wanted.

Saltzman: I guess my question, if this is more appropriate for tomorrow's executive session, you can just tell me. There's a letter here from dave robertson of p.g.e., stating that we've declined to participate in the court of appeals mediation program. Is that kind of a standard -- I know mediation is pretty standard these days in most court proceedings.

Thatcher: Commissioner Saltzman, I would say that the actual decision that's made on -- let me rephrase this -- every party in litigation always says that it's tried to settle the case and the other party has resisted settlement. There have been discussions with p.g.e. and -- at greater length tomorrow we can talk about those if you wish. I will say that the issue of arbitration before the court of appeals came up when one very narrow issue, a legal issue went up on appeal that is to say whether or not p.g.e. could sue the city in what's called a writ of review, or could sue the city in a standard declaratory judgment action. The judge said the city can't be sued for issuing a subpoena using this writ of review procedure. And that issue was appealed by p.g.e. When we were asked by the court of appeals whether or not mediation of that issue was useful or helpful, we basically said we have a clear legal issue here, the city isn't going to compromise on that legal point, nor is p.g.e., and determine not to enter that mediation process in the court of appeals.

Saltzman: Great - thanks.

Potter: Nor, it also said in direct negotiation you also -- the city chose not to directly negotiate with p.g.e. about the conditions for the information?

Thatcher: Mr. Mayor, the city has had discussions with p.g.e. We have talked to p.g.e., they have made some proposals. The proposals were -- I can describe in more detail tomorrow if you wish -- in the view of the commissioners, monitoring this litigation and the city attorney's office, not significant proposals. That could advance actual settlement of the case. But we have talked to them, absolutely. We have not refused to talk; we have had several meetings with p.g.e. in an effort to see if there is some way to settle the case short of litigation. So far those discussions have not gotten us to a settlement.

Potter: So how does the resolution narrow the request? I've not had any briefing on this, neither has my staff so i'm asking because I don't have the information to make a decision.

Thatcher: Ok. I did meet with Austin raglione and john doussard to discuss this resolution last week. And if you have the material in front of you, mr. Mayor, I could go through very quickly the kind of things that we are proposing to do. If you look at the resolution there are --

Potter: When did you meet with them last week?

Thatcher: I'm sorry.

Potter: When did you - -

March 28, 2007

Thatcher: It was monday or Tuesday this week.

Potter: Of last week or this week?

Thatcher: Yesterday or the day before.

Potter: Yesterday - okay.

Thatcher: I'm sorry. We met with other commissioner staff last week and were able to see austin this week.

Potter: Ok go ahead.

Thatcher: If you look at the resolution, attachment b is the original subpoena with a variety of things stricken. And some things added. The first major additions and deletions are found on page 2 of attachment b. And the primary thing we did here after consultation with commissioner Sten and Leonard, was we made it very clear that we did not want p.g.e. to go through their recycling boxes, because we had not understood that that was one of the burdens we were placing on them. They've, as commissioner Leonard said, they've saved every piece of recycling for the last four years. Evidently as part of the enron bankruptcy document hold. Once we learned that that was one of their concerns, it seemed unnecessary to go through all the recycling. We recognize that's a burden and we expect that a company like p.g.e. that actually has been operating as a regulated utility for years has well organized records and we weren't asking them to go through their unorganized records. Similarly we have required - -taken out any implication that we wanted p.g.e. to go through 35,000 backup tapes. Again, what we learned last week in discovery is that p.g.e. has 35,000 computer backup tapes of all documents ever generated, drafts, what have you. Those too are not organized in any way. They're just saved and put in a warehouse out at Trojan and p.g.e. explained to us finally that that was going to cost them an immense amount of money and time to try and go through the backup tapes. Again in consultation with the commissioners, we decided that what the city wanted was organized records, not undifferentiated computer tapes that just happened to be backed up. The city actually has these backup tapes as well. They're very difficult to access, and we are convinced after talking to consultants and accountants, that the kind of material that these city council wanted and asked for is in well-organized, cohesive files or computer records that can be accessible. So again, we felt that we had asked for something not understanding what they -- how they would interpret the subpoena to mean they had to go through a 35,000 backup tapes. And we said if that's what you think we mean, we don't mean that. The purpose behind that is to allow the court to address the issues before the court on fundamental issues of authority without we hope getting bogged down in disputes over the extreme burden that p.g.e. claims is imposed on it. Bear in mind that p.g.e. has challenged the city's right to issue this subpoena. It has claimed it has no obligation to respond to this subpoena. It has said that as a legislative body the city council cannot issue such a subpoena to p.g.e. and p.g.e. has an obligation to respond. Those are the fundamental legal issues we hope the court can address if we eliminate some of these issues of millions of dollars of burden. On page four, and we eliminated a particular word that we don't want.

Potter: Which attachment are you on?

Thatcher: I'm on exhibit b -- attachment b. On page 4 we narrowed a request for tax returns. We - - the words have been written, filed, or prepared. We really don't want every draft tax return that anybody ever put together. We looking for what was filed, when they brought that to our attention we said we can change that for you too. Substantial change on page 5, we have eliminated some specific requests for emails because they're difficult to acquire and because we think we can gain the information through our more general requests. For information on Multnomah county tax records and other information related to the tax, so we thought, again, that was actually a redundancy to ask for specific emails from specific people. And finally, starting on page 7, we eliminated a whole raft of specific requests that quite frankly we believe are more redundant to our general requests. In this case it was merely a clarification. On page 7, starting on page 7 a

March 28, 2007

subpoena asked for documents related to specific tax decisions. And we determined that those documents should be made available to the city under the more general request under the subpoena and we did not want to make it seem that we were asking twice or we were asking for something that might be something more than what p.g.e. even had in its records. So items on page 7 and eight were eliminated primarily because they were redundant and we believed in good faith p.g.e. can give us that information in response to our more general request. That again simplified the subpoena, we hope it will simplify the court's job. So those are the kind of decisions that the commissioners and the city attorney's office made as I said, it was not our intent to retreat from the city's request for fundamentally important information. But simply to narrow and focus the scope to eliminate questions of burden that we had not fully understood until I literally took the deposition of people last week.

Sten: In terms of the context on this, and again, it's a trial that begins next week, we have executive session tomorrow, I would just simply state that I do not concur with much of anything that's in p.g.e.'s letter. I prefer to elaborate on that tomorrow in terms of how they're characterizing what's gone on. As i've been tasked to keep track and to some extent lead us through this, the last year and a half, i'm working from the fundamental position that the city council subpoenaed documents. Those documents were not provided, and we were sued. To my knowledge the policy to subpoena those documents has not been pulled back, I haven't had any of my colleagues come to me and say they've changed their mind, that they don't want to look at that information for the reasons outlined by our attorney. The trial is next week. The attorneys have advised us, as terry described, and I won't attempt to do it again that p.g.e. has taken a position the subpoena is unreasonably burdensome and this change simply tries to focus what we subpoenaed a year and a half ago to an even more clear request so as to minimize the misinterpretation of what we're asking for. That's all that's there. To the extent that the council would like to -- which I would not necessarily recommend change what we're doing, that's an entirely different matter and -- this is simply trying to get ready for a trial, that happens next week, to defend the city's subpoenaed power, which we have been sued to claim does not exist. That's what's going on here. So I think to some extent there's a sense that maybe there's a change in policy or a change in the city council's position if there were a change in the city council's position that would be my job to work through with everybody, but this is essentially taking the same request -- that the council, I think unanimously if I recall correct, I'm not sure if commissioner Saltzman was - - there were not unanimously put in place a year and a half ago and actually making much - much less burdensome. So we did brief the execs on that, exactly that path, made as of obviously you would, the attorneys available to everyone. But essentially to me it's -- I want to kind of frame it that way, because I think that's what's before the council is essentially authorizing mr. Thatcher to focus the subpoena request on exactly what it is that we wanted, because I think it's been -- I won't describe putting adverbs on it, but I think it's been mischaracter - - misunderstood lets say by p.g.e. and I'd leave it at that.

Potter: Just from my perspective, it had been a lot better if we could have had an executive session prior to this meeting so I would better understand the strategy. Because I was not involved in any of the strategy or the drafting of the resolution so that's why I'm asking the question.

Leonard: But Mayor, we took a position on this as a council. And we're not changing our position. If anything we're restricting beyond what the council authorized what information that we're requesting. So, I would and that's assuming not all of us were involved, but I would tell you that our staffs, maybe they haven't kept us all informed, but I will tell you that our staffs have been involved and the staff has known and had this as a subject of conversation for at least a week that I'm aware of. And - -

Sten: And I regret that Mayor and we are having one tomorrow, the trial starts next wednesday. There are possible ways for the council to amend this action. If we chose to I would strongly not recommend that. Had your staff who was at the briefing last Tuesday asked for an executive

March 28, 2007

session one would have happened. I did not see this as a major change in policy. Therefore did not request an executive session. Did brief the relevant staff and did not find any cause to file an executive session. But we will have one tomorrow and we'll be able to walk through all the details and that would allow room to modify if the argument and the majority chose to do so.

Potter: Further questions for terry? Thank you.

Thatcher: Thank you Mayor.

Sten: I just also point out, if this resolution did not pass, we would continue the subpoena of all the documents that we have today, because that's the council policy that has been passed by a vote of the council. We would go into litigation did we not make a change with the request that's in hand. And I actually could live with that.

Potter: Any other discussion? Do we have anybody signed up to testify?

Moore: No one signed up.

Potter: Call the vote.

Adams: I just want to make it really clear for the record that I am very pleased with what i've seen thus far of the newly independent p.g.e -- but the focus of this subpoena is when p.g.e. was not independent and was under the thumb of enron or the creditors committee. But even if you disagree with me and others on this council, that we should not be advocates for our ratepayers with our franchised utilities in the city of Portland, I think that many Portlanders who even might disagree with this individual action should agree that we need to preserve our ability to subpoena these kind of utilities and businesses that are given exclusive right to operate within the city's boundaries and beyond. So I support this. I appreciate the continuing leadership on this issue of commissioners Sten and Leonard, and appreciate terry, your work, and kathryn, your good work as well on this issue, and I vote aye.

Leonard: I really wish I could agree with commissioner Adams and i'm pleased with p.g.e.'s public leadership since its separation from enron, but given its activities in the recent rate hearing case and the findings of the staff and the commission I might add, post-enron, my confidence isn't there yet. With p.g.e. so i'm hoping that that comes at some point in the future, but to date it has not. Aye.

Saltzman: Aye.

Sten: Aye.

Potter: Well, I think that it was the unanimous decision of the council that we had the authority to subpoena the records. This appears to be narrowing that request to make it less onerous on behalf of p.g.e., and I think that commissioner Adams is correct, and that this isn't about the current state of p.g.e. operations, but what occurred under the ownership of enron. And as then -- as I feel now is that we do have that right to subpoena, and that I will have to wait until tomorrow to find out exactly what all the strategy is, but it appears to be headed in the right direction and I support it. Aye. [gavel pounded]

Potter: We'll go back to the 10:15 time certain.

Item 299.

Potter: Commissioner Adams.

Adams: Thank you mayor it's indeed my pleasure today to offer as two new appointees and two reappointments to the regional arts and cultural commissions board, and i'll quickly go through their bio and then we have an opportunity to hear a few words from Eloise damrosch, executive director, and from ted and ernie. Two new appointments, mark edlen, mark c. edlen is widely recognized for his expertise in mixed use development in the real estate industry, and he and his team have acquired a national reputation for its ability to conceive and execute mixed use projects, projects that lead the way in the industry in terms of including art and cultural aspects as just part of what they do and not having to be forced not having to be regulated into doing that, but they do it out of love for arts and culture. Tad savinar is a renowned Portland artist with a national reputation. -- reputation. He has received several national endowment for the arts individual fellowships and his

March 28, 2007

collections are in the Portland art museum, smithsonian national archives and museum of modern art in new york and right now he's playing a very big part in making sure the streetscape and the livability of our renewing transit mall is everything that we want it to be. Ernie brings two decades of experience in his consulting work, including 13 years as executive director of the pacific corps foundation for learning. He has been an active supporter and board member of numerous nonprofit organizations including racc, but also the providence medical system campaign strategy and oversight, and he's constant source of inspiration and advice to me on issues related to arts and culture. I appreciate that. And carol morris, who could not be with us today, is being reappointed. She manages the charitable contributions and community involvement for Portland general electric, and she's president of the company's corporation foundation. She's also president of the board of the northwest business for culture and the arts, and cochair of employers for education excellence, and serves on mayor Potter's vision committee. Quick overview of who we're appointing and reappointing. Eloise, would you like to say anything?

Eloise Damrosch: Good morning. I'm very pleased to be here with these wonderful board members. We've been very diligent in the last five or so years to really delve into the community and find people for our board that can really represent many points of view and also take the work of racc out into the community and advise us how best to achieve all of that. And i'm very pleased that we now -- and these four board members certainly represent leadership in the business community, the philanthropic community and the artistic community, and I think they represent a great cross-section of what we're trying to achieve with the racc board. So I will turn it over to tad and ernie to say a few words. Thank you very much.

Tad Savinar: Thank you for inviting me to serve. I have a few things to say. I just wanted to publicly say that everything that i've done with my career has been a result of the launching pad this city provides me as an individual artist. It's my contact with leaders and people in the city who are out of the box thinkers, it's my contact with citizens who are innovative and patient, contact with the business community who understands a new idea, so everything that i've been able to do in my career is a direct result of being from this community. So I wanted to thank all of you and all of you. But more importantly, the exciting thing for me to come on the racc board at this time really has to do with a couple of initiatives that are really dear to my heart. One is hopefully the reintroduction of arts education in our public schools, which is being driven by a partnership with the big thought from dallas, which is a very innovative program that injected arts education into the elementary school system and Portland was chosen as the next partner to mentor under this program. That's very exciting and certainly the neighborhood arts program which begins to say, let's cross the river and look at our population on the other side of the river that is Portland to see how we can target specific audiences, specific neighborhoods, and make our services from racc more user friendly, and in many different languages and reach out to those people on a one-on-one basis. And certainly the partnerships with the other counties, we are a regional arts council, we are not the metropolitan council, and so we have many partners outside the city.

Ernie Bloch: I share -- thank you, gentlemen, very much, for having me here today. It's a real honor to be on the board of the regional arts and culture council. It's one of those organizations that I looked at a number of years ago and said this one would be fun to be involved with. So here I am.

Two things I would like to point out. I think we all are beginning to sense not just the climate, but that Portland is really beginning to bloom. And -- in many, many ways. I think a part of that is due to the support of this organization, your organization has been take something leadership with respect to the funding for the arts. Having been in the corporate sector for two-thirds of my professional career, I know something about workplace giving. And I believe that the work for art program that racc and the city are doing is going to make a huge difference in adding funds to the support for arts, but mainly from people who are in the workplace. And now have a chance to dedicate some of their annual community giving towards the arts area. I think Portland is a leader

March 28, 2007

in terms of what we call the united arts fund concept in that we are the only city that I know of where there is acknowledgment and support from the city government. And that's a big step forward for Portland and something else we can hold up our flag with pride on. And I think the other thing that the city has helped us do is to encourage the counties who are incorporated into the regional arts concept which would be Washington, clackamas, and Multnomah county, are now giving some thought to modeling work for art programs with matches from their own constituency.

Savinar: So again, thank you for what you're doing. I realize in the scheme of things this is not a hot button, perhaps, but it certainly is adding to the cultural fabric of our community, which I believe is what Portland is becoming known for. Thank you again.

Potter: Has anybody signed up to testify?

Moore: No one else has signed up.

Potter: Further discussion? We need a motion to accept the report.

Leonard: So moved.

Saltzman: Second.

Potter: Call the vote.

Adams: Just want to take this opportunity to also acknowledge jessie, my liaison for arts and culture, who helps this issue area. Keep moving along with eloise and the mayor's office and everybody else on council. Thank you. Aye.

Leonard: Thank you for serving. I want to acknowledge commissioner Adams' commitment to race and the arts. He's forced all of us to pay more attention to it. Aye.

Saltzman: Thank you for joining race and for -- and also to -- the two reappointments to race. It looks like an outstanding -- I know you're outstanding citizen and we appreciate your contributions. Thank you. Aye.

Sten: Thank you as well. I'm a fan of all four people being appointed. So I think you have a lot of talent. I know you wouldn't get this caliber of folks if eloise and their team were not doing such a great job. I would encourage you to act on the word you just said. I think this is a moment where we can get to the next level, and we have -- if you look at the four of you it's a broad mix of backgrounds and experience, and I think that melds well into an existing group that really gets some stuff done. I think it's a chance, and the workplace giving, the tide of the corporate world, the grass-roots world, so if the 70 can do our part, I think we can get to the next level and not -- it's because of commissioner Adams taking the lead as well. So great work, and i'm at your service. Aye.

Potter: I think -- I believe that citizens are really what make Portland very unique, because they give of their time and they give back to the community. I think these four citizens are great examples of that, and I congratulate them for their view of service, and look forward to seeing how you folks work with our arts community and raise the profile of the arts community and increase the opportunity for more people, particularly our young people to engage in arts. So thank you very much. I vote aye. [gavel pounded] please read item 312.

Item 312.

Jeff Baer, Director, Purchases good morning, mayor Potter. Members of council. Jeff baer, before you is a request to approve the purchasing agent report for the west burnside sewer reconstruction project to dunn construction incorporated, who is located in gresham. In the amount of \$2,140,740. And we did have on there a couple things to note. They do have a 1.6% of the total project value awarded for minority business subcontractor participation, and they are also in -- currently in delayed compliance status with our equal benefit requirements through january 31 of 2008, and that's to allow for their open enrollment process that begins on january 1 to get -- that allowed them to catch up with that. Again, we had built that into our program that we knew there were going to be times over the next culling year to allow for delayed compliance. We have representatives from bureau of environmental services in case there are any project-related questions.

March 28, 2007

Adams: I say it on everybody's contract, 1.6 is too low, and sometimes we exceed it and in this particular case we're below it. So we've got to keep pushing for it on -- keep pushing forward on the issue.

Baer: We do keep pushing through them. The project, we have our compliance staff that works with the contractor to see if we can boost that up through the project. And part of it for this particular project is they're doing a lot of self-performance of the work.

Adams: Thank you.

Potter: Questions? Thank you. Has anybody sign the up to testify?

Moore: I did not have a sign-up sheet.

Potter: Anybody here who wishes to testify on this matter? It's a report, we need a motion to accept.

Leonard: So moved.

Adams: Second.

Potter: Call the vote.

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

Potter: Aye. [gavel pounded] please read item 313.

Item 313.

Jeff Baer, Director, Bureau of Purchases: Thank you, mayor Potter, members of city council. Jeff baer, for the bureau of purchases. Last week you approved an ordinance that allowed for the purchase of the enterprise business solution servers, the i.b.m. Servers necessary to run the s.a.p. Financial system that we're working on to go live in november. And this is our purchasing agent report that identifies the solicitation process we went through to award the contract to sirius computer solutions incorporated out of beaverton, Oregon. And this I think you heard last week that this would allow us to take advantage of about a \$400,000 discount. So this really consummates the process we went through and allows us to achieve that savings. So we have staff here in case there are any questions related to the project.

Potter: Questions?

Saltzman: I didn't quite catch the \$400,000 discount? What's --

Baer: Part of the bid process we went through, they identified if we got the award in by a certain time line that the price would drop significantly, which amounted to about \$400,000. So we're trying to -- we are meeting that deadline to take advantage of that savings.

Saltzman: That's a deadline from i.b.m. Or s.a.p.?

Baer: From i.b.m -- sirius computer, who we're buying the servers through.

Potter: Further questions? Thank you. Has anybody signed up to testify?

Moore: I did not have a sign-up sheet.

Potter: Is anybody here who wishes to testify on this matter? This is a report, we need a motion to accept.

Leonard: So moved.

Saltzman: Second.

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

Potter: Aye. [gavel pounded] please read item 314.

Item 314.

Potter: Commissioner Adams.

Adams: Thank you, mayor. I'm going to turn this directly over to staff. Greg, do you want to begin?

Greg Jones, Office of Transportation: I will start. My name is greg jones with the office of transportation. We're here at the very end of the tram project, and one of the last remaining processes that we need to do is complete the assessment of the l.i.d. So andrew aebi, our l.i.d.

March 28, 2007

Administrator is here to walk you through the l.i.d. Assessment process and the objections that have been submitted at this point.

Andrew Aebi, Local Improvement District Administrator: Thank you, greg. Andrew aebi, local improvement district administrator. Just want to back up to the last council action on this l.i.d.

On october 4 of last year council approved an ordinance that increased the project cost contribution of the l.i.d. To 36.6 million. At the same time we updated the auditor's cost, so throughout the life of the l.i.d. We've had a cap on project costs but we have not had a cap on auditor's costs. So back in october we updated the estimate to reflect the increase cost of the tram, but also increases in interest rates because we really wanted to avoid any surprises. So the total estimate back in october was \$38,063,500.10. I'm pleased to report today that the ordinance that's proposed before you retains the same \$36 mill 0600,000 project cost, but drops the project -- the auditor's cost down to \$1,265,441.50. So we have about an approximate \$198,000 savings, about a half percent positive variance. So most properties in fact do have a positive variance of .5% below the last estimate.

Related to the last council action. I would like to note for the record that the property with the largist assessment on marquam hill of 13,832,349.84 has been split into two amounts of 6,916,174.92. The only reason we did that is because our lien system has a limitation where it can't handle amounts of \$10 million or more. So we simply split that into two separate lien accounts, so that our lien accounting system could handle that. My understanding is when the lien system gets replaced as part of the enterprise business system project that limitation will go away. I would like to note for the record that none of the property owners who submitted a remonstrance against l.i.d. Formation when the l.i.d. Was formed, submitted an objection to final assessment. In terms of summarizing the remonstrances out of 341 lien records, we received objections to final assessment from four of those 341. The basically 99.6% of the estimated assessment we received no action to final assessment. The first of the four objection assist from j.e.h. Family partnership. At 3420 southwest macadam avenue. They're proposed final assessment is 9,719.44. They are in assessment zone a you may recall council that we have a tiered assessment zone approach where we assigned a higher degree of benefit to properties according to their proximity to the tram. So they have an estimated proposed assessment rate of \$5.91. Per square foot. I would note that the northeast corner of their block is one block from the eastern terminus of the tram landing. We received two objections to final assessment from the Oregon department of transportation. One of those two we were only proposing a partial assessment in terms of square footage. The total assessment on that particular parcel as proposed is 604.64, it's in the loyest assessment rate zone and assessment zone c of 73 cents per square foot, so it's a significantly lower assessment rate than what we're proposing, for example, for the property at 3420 southwest macadam. The second of the two objection is for a larger parcel, that proposed final assessment is \$51,084.52. The bulk of that assessment also is 73 cent per square foot assessment zone c. And the fourth of the four objections we received was from an owner of a condominium at the meriwether condominiums, and that particular objection the property owner has requested that general fund property tax dollars be used to buy down his assessment. I would note a couple of things for sake of argument, if council honored that request, those funds would have to be allocated throughout the l.i.d. Which means ohsu would get most of the benefit of the property tax dollars. More importantly you heard some testimony earlier about the substitution of security programs. North macadam investors fully intends to satisfy this obligation, so there will be no obligation to that particular property owner even though the assessment of 815.95 will be reflected on the lien docket upon passage of this ordinance one week from today. At of the property owners in the l.i.d. Are eligible for financing for up to 20 years. We are anxious to close out the final assessment ordinance on time. We have a lot of money at stake here in terms of what we're trying to get reimbursed here from the l.i.d. Construction fund. If for sake of argument there were to be a delay in final assessment, the office of management and finance estimate the daily cost at 4,210 a day, or \$29,470 a week. So council

March 28, 2007

can certainly entertain any changes it wishes to on changing this methodology, but the staff recommendation is to make sure we close this out on time. I would like to just in closing note that we get anticipate a significant degree of special benefit occurring, especially on south waterfront. At the time we formed the l.i.d., at the time we formed the l.i.d. We did a cursory look at the valuations of properties in south waterfront. At the time Multnomah county carried a collective valuation of \$728 million. I did a look of what Multnomah county had when I filed the ordinance, that had increased by 216 million to \$944 million, and that doesn't include the valuations of, for example, the condominiums at the meriwether, which based on a telephone conversation I had, I understand the total sale price of all the condominiums was \$144 million. So just very conservatively depending on how you look at it, we've seen a spike in property value somewhere in the magnitude of 216 to 360 million dollars in south waterfront. I would be happy to answer any questions council has. I would request the council move a motion to overrule the -- objection for final amendment.

Jones: We also have the project manager here. It is substantially complete, and we are in bunch lists for close-out.

Potter: Questions?

Saltzman: I don't know who to direct this to, I recall, weren't shows -- the zidell's suing us over the l.i.d. --

Jones: That is correct. That lawsuit has been settled and closed with prejudice, so there is no further lawsuit on the books.

Leonard: What does with prejudice mean?

Harry Auerbach, Chief Deputy City Attorney: It's done.

Aebi: I might briefly add, again reiterating it is council's prerogative to make a special finding of special benefit. In the case of the tram there's a lot of things predicate order what the final assessment numbers are, so if for sake of argument some of those numbers change, there will be a fair amount of administrative work at the staff level and also with our external stakeholders.

Adams: I need a motion to move the report. So moved.

Leonard: Second.

Auerbach: A motion to overrule the remonstrances.

Adams: So moved.

Leonard: Second.

Potter: Further questions? Has anybody signed up to testify on this matter?

Moore: No one signed up.

Potter: Anybody here who wishes to testify on this matter? Moves to a second reading. Go to the motion and then pass the second.

Potter: Please call the vote.

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

Potter: Aye. [gavel pounded] when will the second reading be?

Moore: That will be next week, april 4.

Potter: Ok. Please read item 315.

Item 315.

Leonard: Thank you, mayor. I am pleased to bring this resolution forward. The rose festival was started in 1907, two years after the conclusion of the lewis and clark fair exposition. It was started to promote an annual festival celebrating Portland and using as its signature the rose.

Adams: What was the first festival like, commissioner?

Leonard: It was well attended, thank you. But today it actually generates \$70 million a year in economic activity in Portland. It is truly become a signature event for Portland throughout the country if not the world celebrating our home and celebrating the place that others envy so much, and this year the rose festival wants to do a special celebration because it if centennial celebration

March 28, 2007

of the rose festival. They have turned the corner in many ways in supporting that organization from what some of us recall just a few years back were significant financial challenges they were encountering to a place where I think they're doing real well, but they would like to actually have a special -- extra special celebration and have requested of us some help in the form of a \$250,000 one-time grant for them to meet their financial obligations to do that. And I thought given the rose festival's importance to the citizens of Portland and many ways to the country, that that was a very reasonable request of us. Thank you.

Potter: Discussion? Anybody signed up?

Leonard: I --

Saltzman: I note there's a general condition about what expenditures can be -- the money can be spent on, including other purposes as maybe authorized in writing by the commissioner of public safety. Could that include anything like bull run cabins? Or dulas? [laughter]

Leonard: Can I take the fifth?

Potter: Only if it's maker's mark.

Saltzman: No further questions.

Potter: Did I have just a statement. I attended an event on Saturday with the Native American youth association. Some of the elders when they were -- they talked about the fact the powwow which they have each year -- the powwow has not been listed as a rose festival event even though it's recognized as one. So I am going to be contacting the rose festival association and making sure it's in their brochures and information.

Leonard: I very much appreciate that. Absolutely.

Leonard: I appreciate that.

Potter: It's a nonemergency, moves to a second reading. [gavel pounded] 316.

Item 316.

Leonard: As I've said many times here, I can't imagine a more challenging occupation than that of one of our emergency dispatchers. I -- as the mayor would testify, he and I both have backgrounds in careers, others at times think are challenging and he and I have talked about this before and we both agree there's nothing more challenging than being the first person that picks up the call from a frantic parent or person who either has a medical emergency, a fire, or someone's kicking in their door. It takes honestly special skills that not many possess to be able to think rationally, dispatch the proper units, and to coordinate that through the end, often times talking with the person on the phone during that entire process. And there is nobody that respects the folks that do that more than this city council because we sit and listen often to the job that they do in our budget process and I am just very much appreciative of the work they do. So this act of declaring April 18-14 to be national public safety telecommunications week in Portland is at least that we can do and honor our emergency dispatchers. Who by the way served the entire region, not just Portland, but all of Multnomah county. And do just an outstanding job by all accounts of that. Thank you.

Potter: Any questions? Do we have anybody signed up to testify?

Moore: Did I not have a sign-up sheet.

Potter: I want to thank you, commissioner Leonard. I think this is excellent. I wanted to thank you also for the rose festival. That's really important to them. This is going to be a big year for them. So for both of them I appreciate your leadership.

Leonard: Thank you.

Potter: Nonemergency, and it moves to a second reading.

Leonard: It's a resolution.

Potter: Excuse me. Sorry about that. Please call the vote.

Adams: Thank you, 9-1-1. Aye.

Leonard: Aye.

March 28, 2007

Saltzman: I do want to recognize the great work that our 9-1-1 dispatchers do, and everybody who works at the bureau of communications. It's a very tough job and they do a great job at it. Thank you. Aye.

Sten: I would also like to thank the hard working people at boec, and commissioner Leonard. We'll make our best to let people know that's the week to honor them as we should every day. Aye.

Potter: Second all of those statements. Aye. [gavel pounded] we are recessed until 2:00 p.m.

At 11:03 a.m., Council recessed.

March 28, 2007
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] [gavel pounded]

MARCH 28, 2007 2:00 PM

Item 317.

Potter: I'd like to remind folks prior to offering public testimony, a lobbyist must declare which lobbying entity he or she is authorized to represent. Please read the 2:00 p.m. Time certain.

Andrew Aebi, Local Improvement District Administrator: Good afternoon, mayor Potter and council members. Andrew aebi, local improvement district administrator. Just want to back up a little bit and remind council of where we've been. We brought a resolution forward to council on january 31 that initiated local improvement district formation proceedings. That resolution was approved by council on january 31 and directed me to schedule an l.i.d. formation hearing, which we then came back on february 28 and presented that formation ordinance to you and to the property owners who were in attendance. Normally what would have happened on february 28 is that we would have passed -- council would have passed the ordinance to a second reading the following week on march 7. At the request of several council members, we took a hiatus to allow for some time to talk to the property owners and a two-week hiatus was requested by mr. Phillips, the council to international paper. We wound up granting a four week hiatus. So we're here two weeks later than what we anticipated on March 28 instead of March 14. I was directed by council to hold a meeting with the folks who remonstrated against formation of the l.i.d. and who had signed the testimony sheet to bring along my transportation planner who did the analysis which was the basis for the trip volume apportionment methodology and also just to hear input from the folks opposed to the l.i.d. to see if there was a compromised proposal that we could bring back to council.

In working with international paper we scheduled a property owner meeting for march 12, and i'll walk you through that and see a little -- in a little more detail in terms of what transpired at the meeting. We held the meeting with the property owners on march 12 and of course it was a public meeting and anybody was able to attend. And then what you have before you today is an amendment should you choose to adopt it would make a different finding of special benefit and substitute the proposed finding of special benefit as proposed by international paper for what was originally proposed in the formation ordinance. Council certainly has the prerogative to make an alternative finding of special benefit. So what i'd like to do is walk through the amendment with you. The amendment does a couple of things. One is it makes additional findings into the public record, and it does make an alternative finding of special benefit. Should you choose not to adopt a different finding of special benefit, I do have an alternative amendment which does the same thing in terms of incorporating additional findings into the record. But it retains the existing finding of special benefit. But I don't need to present that to you until and unless you decide not to adopt this particular amendment. So essentially what we have before you are two mutually exclusive amendments and council can adopt one but they can't adopt the other. But neither -- in either case I recommend you adopt one of the two amendments before moving this to a second reading to either adopt or not adopt the formation ordinance. With that in mind, if council doesn't have any questions before I get started, i'd like to walk you through the amendments before you. So as you

March 28, 2007

look through the amendment what would happen is if you adopt this amendment, we would have obviously a significant change in finding of special benefit. It's not of a minor nature. It -- in my opinion it's not of a minor nature where we could just simply adopt this change and finding of special benefit today, amend the ordinance and pass it today. In my view and the city attorney can confirm this, what we would need to do is schedule a continuation of this hearing for april 25, which is four weeks out, to provide the code required three-weeks' notice or the earliest practical date thereafter. So what would happen is we'd come back in four weeks and hold a hearing on the new assessment methodology after notifying all of the property owners in the l.i.d. So the city auditor would send out notices next week, notifying everybody of the new proposed estimate the assessment amount, and then what I would do as local improvement district administrator is respond to any and all remonstrances received per the filing deadline of a week beforehand. So what would happen is the remonstrances would be due on april 18 and then would I come back to council on april 25 and present to you any remonstrances. That three-week notification period is required by code. Council does have the prerogative to waive code, but my respectful recommendation in the interest of communication and transparency would be to honor those code requirements in terms of notifying property owners. Then on april 25 I would bring the council some amendment to the findings because the findings are predicated on the existing finding of special benefit. So there would be additional amendments we would need to do to the formation ordinance. There's a couple of additional findings that this amendment would do, and at this point if council adopts this amendment basically what council is doing is adopting my findings in terms of what's transpired since we had the last hearing on february 28. The new finding #17 which would be the council makes a new finding of special benefit per the amounts in Exhibit I, attachment 4 in the new estimated assessment column in lieu of the previously proposed finding of special benefit per exhibit f. So essentially what you'd be doing is substituting the amounts as proposed by mr. Phillips for the amounts that we notified the property owners. There is a nonsubstantive change to exhibit f which is the remonstrance evaluation. On the advice of the city attorney's office, we just simply like to change the heading of lien number to future lien number to make very clear we have not imposed an assessment that would be something that would happen with a future and subsequent ordinance. And moving forward with the l.i.d. program what i'm planning to do is instead of making reference to a lien number, make reference to a future lien number to clarify no lien has yet been imposed. The other things substituting exhibit f would do is the auditor used a slightly different sequence of lien numbers than I anticipated, though it simply put the lien numbers in the proper sequence to agree with what is in exhibit a, and I would note for the record that all of the property owners were properly notified of the amount in a timely manner, there's simply -- this introduces the sequence of lien numbers the auditor used just so the cross references are consistent between exhibit a and f. There's no substantive change in terms of the assessable square footage or the estimated assessment amount. Substituting exhibit f in and of itself does not trigger the need to renotify property owners because exhibit f just simply evaluates what we proposed and what the remonstrances were relative to that proposal. Then if council doesn't have any questions we'd move to you exhibit I in the amendment that is before you. So as noted here in exhibit i, this agenda item was read on march 14, but there is no testimony on march 14 this, item was immediately continued to today. As I previously noted, we did have a property owner meeting on march 12. We had 16 people who attended, they're noted on the sign-in sheet which is attachment two, and when we held the meeting what I did is I walked through different assessment scenerios and I just want to call your attention to attachment three so following the introduction we talked about budget versus apportionment of benefit. I won't spend a lot of time on this, but there's basically two exercises. One is the size of the pie in terms of the budget of the project, the other is how you slice the pie. So for what I explained to the property owners is regardless of how we eventually slice the pie if this project moves forward, what I want to do is minimize the size of the

March 28, 2007

pie and hopefully build this project at the lowest possible cost regardless of how council chooses to apportion the assessment. If you move to item three on that agenda, memorandum the council and potential l.i.d. Amendments, what I explained to the property owners was that I would present a memorandum to council that would recap the meeting. That's essentially what i'm doing today. And that we would present this proposal on march 28 and council would make a decision whether or not to amend the ordinance and move forward. The piece that is especially important is item four, which talks about assessment methodology alternative. Before I get into that I want to briefly recap for council what the default assessment methodology is. When allen snook did his trip volume analysis, the default assessment methodology as proposed was to assess benefit based on trip volume, what he did, basically a four-step process. The first thing he did was took an inventory of the existing lots within the boundaries of the l.i.d. and the area or size of the lot. So -- how large all of the lots were and if the lots were within the boundaries of the l.i.d. Then he calculated trip generation based on i.t.e., institute of transportation engineer criteria to determine total trip volume. And that was a science, not an art. There's applicable criteria you use to generate the total trip volume. So, for example, that took into account existing uses, what is there today, it did not assume tear-downs of existing buildings. It looked at what was actually in place. But it also looked at potential development. For example, you've heard testimony about the ikea store, it did not assume the vacant land would stay vacant and therefore would have no trip volume. Though it looked at both existing uses as well as the future potential uses especially for vacant land. He took into account the area of the land, the existing building square footage, the floor area ratio and the zoning. And I could want -- do want to point out to council that consistently with l.i.d.'s we really treat zoning as the definitive measure in terms of potential development in terms of benefit or development of property. We spend a lot of resource and staff time and council time on updating our zoning code and it's there for a reason, but guidance in terms of how development occurs. That's really the baseline assumption of what future development looks like. Within that step number two, Allan took a broad look at areas with existing uses, north of the columbia slough predominantly retail and office and south predominately industrial uses -- it is important to note we didn't -- he and I did not look at current ownership as binding us for the future. Because ownerships do change. What you have today may not be the future use that you have tomorrow. So that's kind of the point at which we said we're going to look at these more broader criteria, we're not going to hang our hat on exactly who is in today and exactly what they are doing at this particular point in time. I would suggest to council part of what we're dealing with is a paradigm shift, if you have one way in and one way out, you're used to that being your only alternative, you open up a new alternative, means of access, it's a shift in terms of adjusting your trip habit in the future when the new connection gets opened up. So the third step was then once we generated -- allen generated the total trip volume, you applied the metro travel demand model to drive the trip. Then he stepped it down from total trip volume to then with the proportion of trips would be using the new northeast 92nd drive connection versus using alternative connections if any that are currently available. For example, for a particular property he may have estimated the trip volume at 10,000 daily trips. We didn't assess based too total trip volume. We assessed based on the percentage split. With the estimated 25% of those trips using northeast 92nd drive, then we applied that 25% trip factor to get from 10,000 total trips to 2500 assessable trips. And in the process of doing that, allen looked at transportation analysis zone, which looked at trip origination, and destination on a detailed and granular level. The final step was, once I got the trip splits and what the expected trip volume was on northeast 92nd, I took allen's assessable trips and applied that to the cost of the l.i.d. To then allocate the cost of the l.i.d. Based on trip volume. If you adopt the amendment before you today as proposed by mr. Phillips, where you essentially start departing from this is at step one. The first step that allen did was to look at the existing uses and what the five of the area was -- size of the area was of the lots. I'll let mr. Phillips explain it, but at that point what you would not be doing is

March 28, 2007

going to step number two of estimate can trip volume and going through the remaining steps that allen went through. You would be then going into mr. Phillips' modified square footage proposal that he'll explain in more detail in a moment. Returning to attachment three of exhibit i, this is where I walk through some other alternatives as I might propose them for council consideration. I talked about trip volume, and as you know it assign as higher trip split of 25% of trip south of the columbia slough as opposed to an average of about 6% north of the columbia slough based on the alternative means of access that are already available north of the columbia slough. The next thing I talked about is just the square footage, straight square footage methodology where you look at the size of the properties north and south of the slew, in essence what you would do is just assume the trip split was identical both north and south of the columbia slough despite the difference in terms of the number of connection. But we just simply would look at the size of the properties and do it on that basis. The next alternative that I talked about we typically do this more in areas like the pearl district where have you a very established block pattern as opposed to the street layout that you have in this particular l.i.d. We would just do it simply based on abutting linear or front footage. In this particular case there's only three property owners who would be assessed out of the 139 or so. Basically what you would do is if you adopted an abutting linear front footage assessment methodology you would be exempting from assessment the 136 or so properties and putting all of the 2.4 million on three properties, and most of the properties would therefore be exempted from assessment. Those three property owners collective live own four properties so you would have extremely large assessments on the four properties that abut the area of the new connection on northeast 92nd drive.

Saltzman: Is the port one of those 4?

Aebi: Yes. Finally -- I just threw this out, I haven't ever used this or proposed this as an assessment methodology, but I just provided a hypothetical example that council could make a finding much special benefit based on fire code compliance. One of the things I explained to the property owners, we currently have two properties south of the columbia slough and no properties north of the columbia slough that are out of current fire code requirements. Or out of compliance with current fire code requirement. In that particular instance if council made a finding final of special benefit only in terms of the properties that would now be brought in to fire code compliance, only two property would be assessed which is international paper and toyota. Then we talked about the traffic analysis, allen was available to answer questions, at that point we talked about mechanics of how council would work. What I wanted to just kind of go back to the cover part of exhibit i, I want to talk a little bit about informally how we measured property owner sentiment. Again, it was those people attending which obviously isn't everybody in the l.i.d. But we did talk about the square footage assessment of methodology, and in a straw poll 14 people voted, some properties had more than one representative in attendance. Nobody present at the meet canning voted in favor of just a straight square footage proposal. The next thing we talked about was the abutting linear front footage methodology. Nobody voted for that proposal. Finally we talked about the fire code compliance and nobody voted for that either. One good thing that really came out of that meeting is we ruled some options out. One of the things I appreciate that's difficult for council is when you're juggling multiple alternatives and trying to winnow out things that wouldn't have a strong base of support. So I came away from that meeting feeling like those three options that I laid out for the property owner would not certainly enjoy the support. I do want to note one of the things the property owners in attendance mentioned that I didn't have on my agenda was a hypothetical scenario in which all of the benefit was assigned to properties north of the columbia slough and none of the benefit was assigned to properties south of the columbia slough. We took a straw poll on that. It's not ultimately in this amendment that's before you in terms of an actionable proposal, but we did take a straw poll on that and all 14 of the folks in attendance did indicate that it would be their preference that all of the benefit be assigned north of the columbia

March 28, 2007

slough and therefore the port would pay for the entire cost of the I.I.D., which none of that cost being born by property owners south of the Columbia Slough. Mr. Phillips had talked about after we took that straw poll Mr. Phillips talked about a modified square footage proposal which is in fact what was in front of you today, and I'll let him explain it in more detail. But what the amendment does here if you choose to approve it, I would ask council to take a roll call vote on this, hear what implement Mr. Phillips proposes, and I mentioned we'd be back in four weeks to have further deliberation. If you look at page 2 of exhibit i, I've summarized the financial effect of what this proposal would do. I need to make one correction, I've got a total of 70 properties that should be 139 properties-- that cell didn't add those two numbers. So there were 139 properties we were discussing. What the existing proposal is. You have a \$1.289 assessment north of the Columbia Slough, or 53.6% contributable to the port. 1.1 million south of the slough or 46.4% south of the Columbia Slough for a total of \$2.4 million. So as you read across you can see the 2.4 million project cost doesn't change. What happens is the percentage. The proposal Mr. Phillips is putting forth would increase the allocation of benefit north of the slough not to 100%, but to 80.8%, and would decrease the allocations south of the slough to 19.2%. And again, I need to correct that 80.8% to 100% as the underlying total. The net effect is you have a \$655,601.65 change in assessments moving from south to north of the Columbia Slough. So it's a 50.9% increase north of the slough and it's a 58.7% decrease south of the slough for an overall net effect of zero when you look at the whole I.I.D. Just to wrap up this piece of it, I want to quickly walk through some of those questions that were asked in the meeting. I didn't try to extensively document everything, but these were some of the key take-away questions. First of all does the assessment methodology take into account current versus potential trip volume of lots not yet developed, for example, for the Ikea store under construction, and Mr. Snook was confirmed this was taken into account when he did his trip analysis, so the trip volume methodology assumes full build-out, not on an undeveloped trip volume of zero. Next question number two won't the east Columbia to Lombard connector project relieve congestion? Mr. Snook was noted while this project is designed to relieve congestion west abruptly northeast 92nd, it is not designed to mitigate congestion at northeast Columbia Boulevard, northeast Sandy Boulevard, I-205 interchange. What we're saying is the other project under construction will relieve congestion west of I-205 but won't relieve congestion at the I-205 interchange. Third question, are business employee trips factored into the analysis. Mr. Snook confirmed it was taken into account, properties north and south of Columbia Slough. So we're not just looking for example at freight volume, but we're also looking at trip volume of employees. In question number four, does the traffic analysis take into account the higher trip generation of retail uses versus other less transient uses? And Mr. Snook did note that the traffic analysis took into account a higher trip generation rate for retail uses such as the Ikea store, so what you have is for something like the Ikea store, have you all of the things being equal a. Higher total number of trips, but again, when you're a-- when you apply the trip split south of the Columbia Slough, you have an average of 25% using the new northeast 92nd drive connection, while north of the Columbia Slough have you an average of 6%. So what you're applying is a higher versus a lower proportion to the total trip volume. So that's kind of a run-down of the overall meeting. I've explained I believe all of the changes that are proposed as part of this amendment. Again, would I encourage council to take the property owner testimony and then take a roll call on this amendment. If council declines to approve this amendment, then I would ask that another roll call amendment be taken on an alternative amendment that would just simply introduce some of these findings without making any change in special benefit. If council were to leave the finding of special benefit unchanged, because there's no requirement triggered to renotify property owners, council could potentially take a roll call after adopting the amendment to either pass or reject the ordinance today unless you wanted to continue this by your own prerogative to a later date.

Leonard: Do you have those alternatives laid out here?

March 28, 2007

Aebi: In terms of --

Leonard: What you just described.

Potter: What you're asking us to vote on.

Leonard: Are they laid out here anywhere?

Aebi: They're not laid out here specifically in the memo. The one thing did I hear on the amendment is to just say that if you adopt this particular amendment we come back in four weeks. I don't have the other piece embedded in this amendment because either you approve the amendment.

To change the finding of special benefit, or you don't. But I can certainly reiterate that if and when you choose not to approve this amendment. And I guess on a final note I would just like to note we do make changes to findings of special benefit. We've had a number of l.i.d.'s where we do make adjustments in the assessment methodology. Typically those tend to be made early on, especially at the resolution phase where we take that initial testimony and then what we like to do is notify the property owners of what that proposed change is. But we can certainly accommodate it today by coming back in four weeks and notifying everybody of what the proposed changes are. But the good thing is to get this all ironed out before we actually adopt the formation.

Potter: Questions? Thank you. Do we have a sign-up sheet?

Moore: We have nine people signed up.

Todd Thompson, International Paper: Honorable mayor and members of council, my name is todd thompson. I'm the general manager for international paper, the Portland operations. We're located at northeast columbia boulevard. Jamie howe, our Portland controller, spoke to council on january 31 on the l.i.d. on 92nd drive, and dean phillips our local council, spoke on february 28 in opposition to the l.i.d. of 92nd drive. Just a brief summary of international paper. We are a distributor of paper and packaging projects, selling to over 1500 customers in the area. We've been at our current location since 1961. We have 115 people reporting to the Portland division who contribute to the Portland economy. International paper has been investing in the Portland community for over of 40 years. In 2007 we will produce over 100 million in revenues, and contribute significant dollars in property and income taxes to the city of Portland and the state of Oregon. Dean Phillips our local counsel will be speaking later, will cover some of the primary points of our position. And I would like to just cover a few key areas. First, there is no special benefit in terms of freight movement for international paper with the extension of the 92nd drive to alderwood road. We have no reason to use this route and we see no need in the foreseeable future. It is important for us to get our trucks on the interstate as we use the interstates quite often, and winding back to alderwood and along 105th avenue is much less advantageous than our access on Killingsworth. Extending 92nd through to alderwood will be a detriment to our operational capabilities. And truck routes do to the increased truck volume and traffic congestion that will occur on 92nd drive. Pert traffic study there will be over 100,000 trips daily. We will not gain a special benefit now or in the foreseeable future remotely close to the assessment, and again, feel the current assessment methodology is unfair. While the trip methodology meets regional engineering norms, it doesn't account for the uniqueness of this property -- because it is bound by the airport, the slough, and most importantly, the river. It also does not match our actual trip volume as I understand it, the actual trip volume of other businesses in the area. The major developments will be the retail developments north of the slough who will want the additional access and traffic volume versus the industrial businesses south of the slough. With that said, and as andrew mentioned earlier, in cooperation, international paper will partner with other south side businesses for the common good of our community. We have been involved in a cooperative effort with other businesses in the l.i.d. to formulate a modified square footage proposal which achieves a more equitable distribution. And that will be described in more detail by dean phillips, our local council. Thank you for your time and your consideration.

March 28, 2007

Dean Harris, Owens Glass: Dean harris, the plant manager of owens glass container on 9710 northeast glass plant road. I previously spoke to the council on february 28 in opposition to the l.i.d. Let me give our brief summary of what I said at that meeting. Our factory has been at its current location for 51 years and was one of the first businesses in the area. We employ over 200 people that work four shifts around the clock, manufacturing glass containers that are 100% recyclable. Our customer base is large and small bottlers, many of which are locate the in the Portland metropolitan area and depend on us as their sole supplier. Our position is this -- the extension of 92nd drive to alderwood will not add special benefit to our business located on 9710 northeast glass plant road. The increased traffic on 92nd drive will hinder the limited number of trucks that we doe do have traveling out of our south exit. We already have a separate main drive that enters alderwood drive to the east. Our opinion is this project should be dropped as the burden on existing businesses is too great. O.i.c.'s negative impacts to our business, other south side businesses will see no or very limited value gained. With that said, o.i. will partner with the other south side businesses for the common good of the community. We have been involved in a cooperative effort with other businesses on the south side to work on this l.i.d. to formulate an alternative proposal. OI it would support the modified square footage proposal as long as it passes under the current proposal offered by the group. Thank you for your time and support of the jobs in our community.

Tanya Fondren, National Storage Centers: I'm tanya, I represent national storage centers. We're located at 8436 northeast marks drive. I would like to say that we did not attend the previous meeting only because we were not notified in a timely manner. Our facility is a small 230-unit storage facility. We average occupancy of 97%. Unlike the 82nd avenue project, which showed us potential benefit, we do not see any benefit in the 92nd drive project going through. So our first choice would be to see the project not go through at all. Virtually all of our customers are coming from the businesses and residential neighborhoods south of columbia boulevard. Since we are tucked away at the west end of marks drive, most of our potential customers call us to inquire on availability rather than to drop by. As far as a trip permit assessment that was devised, we have an electronic security gate system that gives us the information of everybody coming and going on our property. We average 134.4 trips per month, including our employees, and not the 273 daily trips that showed up on the assessment somehow. In an effort to compromise, national storage centers will partner with the other people on our south side and go by the squire footage proposal that we have put together. Thank you.

Potter: Thank you, folks.

Potter: You each have three minutes.

John Tesler, Ventura Foods: Mayor and council men, john tesler, controller ventura foods. We built and moved into our existing facility there on marks drive in 1969, 38 years ago. At that point we never had a benefit or saw benefit or a need to have this 92nd go through to alderwood. In fact, the industrial airport park that we built in -- is to protect industrial users from the normal residential and commuters out of their area, competing with trucks and so on like that. And this is I believe is going to open up a lot of retail traffic going through, speedsers, so on like that. So that's one reason why we're against this. The other is that one, it would add no value to our business other than some employees possibly using it to go to vancouver. It's not real friendly driver truck friendly to get out of alderwood out of this location and get up back on the freeway. I think everybody would be using the columbia boulevard that they have in the last 38 years. The trip allocation we believe is flawed because we were assigned a very high volume of traffic and we do not have that at our location. Possibly a square footage or some other modification would be better. I think that's about it. Thank you.

Tim Parks: Tim parks, ball janik council for specter wilson properties. I won't go over again most of the comments that have been made other than to I guess concur with those comments for my

March 28, 2007

client. Again, this is an industrial client, mostly trucking operations on the trip count basis, no question the i.t. Manual says what has been purported to say for this property, but if somebody actually went out and counted cars, I think they'd find that it's nowhere near the reality to this area. In fact, you can go out there and frequently watch and about every of five minutes you'll see a truck go by. The comparison is the north side of the slough and when these massive retail stores go in, there is simply no way that those hundreds of thousands of trips are not going to find their way down this road in very large volume. And the result of that is going to be to cause incredible congestion for the industrial traffic trying to get out and the result is we do view this as a negative and not a benefit. In fact, if we had been asked whether we would advocate a project like this at the port's dime or the city's general budget dime, we would have voted against it. So we would advocate not having the project at all, but again, with the other owners of the south, my client is willing to compromise for the greater good and utilize a methodology that more fairly all allocates utilizing the adjusted square foot proposal. Thank you.

John Hoglund: My name is john hogland, president and managing partner of aerocraft north located at 9400 northeast colfax street. We're newer to the neighborhood, we've been there about six years just over six years and have about 50 employees today. Mayor Potter and council members, thank you for this opportunity to be heard in the ninth hour. Regarding this late response, please understand that all communication intended to our company from the city went to california and was not routed back to the proper parties in Portland in a timely way. In the spirit now of better late than never, i'd like to say two things. With one possible exception of emergency ingress and egress, which i'll speak to directly in my next point, I see no benefit at all to my company in making northeast 92nd street a thorough fare between northeast columbia and alderwood. The increased traffic will in fact damage our company's ability to get our trucks from colfax out on to southbound 92nd. And for this reason, even if our company was assessed no cost for the l.i.d., we would still be opposed to the project. Secondly, regarding the issue of emergency access, there exists today two gated access points between alderwood and northeast 92nd. One through private property via glass plant road, the other at the present northern termination of northeast 92nd near yards from alderwood. These are both simple chain link gates secured with hardware store chain and padlocks. Mr. Mayor, i'm a practical man and I know that in any true emergency these gates are no more of an impediment to an emergency response crew than a wooden saw horse. If the emergency was the sort of a thing requiring egress our maintenance department has bolt cutters as I assume these other commercial properties would, and we could use those to exit through these same gates. My point simply being, and i'll conclude with this, that rather than there being no options for emergency ingress and egress from the south side today which is -- has been stated many times, there are in fact two that could be used in true emergencies.

Potter: You each have three minutes.

Chris Cournoyer: My name is christopher, i'm operating executive for tom saunders who owns a piece of property on 9331 colfax, a 20,000-square-foot warehouse building with very small tenants using it. I would like to go on record in agreeing with the comments that have been made so far as we -- in our meetings have become reasonably familiar with this piece of property. I'm not sure whether the council has had an opportunity to physically look at the property that we're talking about and the area we're talking about developing, but 92nd currently has a bridge across it as i'm sure you've understood from the comments of the previous speaker. The area owned by the airport is basically a landlocked piece of ground. There's the river to the north of it, there's the slough that divides it on the south, there's 82nd and the airport to the west and 205 to the east. And that piece of dirt, which has always been pasture land in the past and is being developed for other purposes, could use additional access to it in order to make it a viable property. The south side property owners are a bunch of industrial -- small industrial operations for the most part, some larger, and they have always been sufficiently served by the existing road structures that existed from columbia

March 28, 2007

boulevard to those properties. It seems to me the entire benefit of this actually goes to the port of Portland's property to the north where they're seeking to develop it further and it seems that while they obviously need additional access, especially with parking lots for the Ikea store showing as much as 1200 parking spaces, none of that benefit really goes to the south side property owners who are all small business people that have somehow managed to make the bottom lines make sense in the existing properties with the existing structure that's around them. We now have the city needing additional roadways going up to the otherwise inaccessible space. I understand the city's need for that and all the south side property owners understand that, but the way the traffic assessment has been set up and the analysis that was initially done on this, it remarkably shows that though the north side property, the port of Portland property contains 75% of the square acreage involved here, and the south side property owners have 25% of that same square acreage, somehow the distribution of the cost for improving this section of roadway ends up coming down to a 53% cost for the port of Portland, the north side properties and a 47% cost to the south side property holders, only that 25% set of acreage owners. We've looked at these numbers, we've looked at the traffic analysis that was done. We have no question the traffic analysis was done properly, but all of the traffic analysis is done on a speculative basis. We heard Mr. Aebi discuss it was -- we heard Mr. Aebi discuss it was really -- I'm being distracted by the fact my time is up. I agree --

Leonard: You're supposed to work that way.

Cournoyer: I agree with the remarks that are made, and -- in the report prepared by international paper. I think that the city has an easy way out of this situation which is because of the cooperative south side property owners. If we could come up with the alternative method we'll agree to pay our thousands of dollars for this improvement which none of us find a benefit to knowing that it is something that will probably be needed in the future. I think in fairness it should be done in a method much more consistent with what Mr. Phillips has suggested.

Cini Apostul: I work with g.v.a., I'm a third party property manager so I represent absent landlords. What differentiates the properties I represent is that we are multiple tenants where most of these are owner operators. Our projects at 100% occupancy; 93 percent and 100% occupancy. They've been that way for years. In the existing set-up with only the one access. That means that people are shopping the market and finding our properties in the existing location with the existing traffic patterns to be desirable. Therefore the market is telling us that there's no need for this other access. Additionally the realty associates fund, my primary -- I represent two owners here, they are assessed with a \$250,000 assessment with the trip count, however, if the square footage analysis is used instead, it's an \$80,000. It's a huge variance, one is based on assumptions on regional, the other is based on actual. It's based on the true square footage and occupancy. My owners have instructed me to say they do not support the bridge at all. However, they like everyone else in the south side has come together to say that we will cooperate if we use the modified square footage proposal that Dean will be representing. I think the northeast Columbia areas already having a major improvement that's going to be happening in the area. None of us are having the opportunity to see the benefit of that before we're going and being assessed with additional funds against our businesses to make another improvement. So we're saying let the first improvement happen, let us enjoy it before we move on and spend more dollars in that area for secondary improvements. And as the port said when we met with them and tried to come together as a community, the 82nd avenue is a much better opportunity access point for them than 92nd, so in -- that supports again waiting to see what's happening on northeast Columbia and how it relieves traffic patterns. So we request that you please -- obviously thank you for listening, but please consider our option that Dean is going to represent. So thank you.

Dean Phillips: Thank you for the opportunity to come back before you again and for the extension that you have granted us last time. We did only ask for a two-week extension and Mr. Aebi needed a couple of weeks and that's why we had the extra couple of weeks. We're here today to talk about

March 28, 2007

the problem that this creates for the southern property owners, but nobody wants to focus on the problem. We have brought back a solution which can resolve the issues with the southern property owners that is in our coalition. It may not solve the problem for everybody, but it does bring I think the greatest good for the greatest number, our solution does. Let me just address a couple of items with respect to the trip volume analysis. What you've heard today is very accurate in terms of the engineering studies. What the engineering study did is it takes modeling, and as you know, modeling is an assumption based upon a lot of assumptions. What we have heard in talking to all of the property owners out there is that this modeling has no relationship to the reality of what's happening on the south side of the slough. And so what happens is that that modeling for whatever reason, good or bad, whether you understand the modeling or not, it results in an unfair situation. It's kind of like the tram project. You may not know how it went from 15 to 57 million or whatever it ended up, but you know the end result is not good, and it's not right. And so that's what we are saying today, that we may not fully understand the engineering analysis, but it doesn't reflect reality between the north and the south. It's clear on the map, and I have included in my letter that has been handed to the council in exhibit b to the letter it is clear that the developable properties largely to the north of the blue line on that map and largely owned by the port of Portland, are the undeveloped properties. Those properties are designed to generate trip volume, but mysteriously the trip volume results in an adjustment if you look at the square footage, it results in a lowering of the assessment to the 53.47% adjustment in the assessment versus the property is 70% on the north side and 30%. Of the developable property is 70% on the north side and 30% on the south side. That is why we think that that is unfair. The solution is the modified square footage proposal that we have proposed and mr. Aebi has offered in the amended resolution. It is not a straight square footage proposal which nobody supported because it allows for an adjustment to the square footage because of that essentially private access that is available to acme and glass plant roads. What we bring today as an opportunity to the council is a way out of this dispute. And we don't want to continue the arguments, we want to join with the city and say, let's do the project, but let's do it on a more fair basis. We thank you for your time and consideration.

Lise Glancy, Port of Portland: I thought I should testify one more time because of the reference to the retail property that we actually own. The special benefit methodology was developed by the city based on trip volume. The port didn't initiate the l.i.d., but we support the l.i.d. And we support the methodology, the trip volume methodology that the city proposed. We believe it appropriately reflects the shared benefit. The first thing that it provides is a second access for freight, employee and emergency traffic for those on the south of the slough. And I have a visual that i'll share with you. It also does provide access to columbia from port properties to the north, that's the port employee lot, and some port tenants we have in p.a.c. And I would note one comment that was made, we have a lot of undeveloped property, but again, the trip volume was based on full buildout of that property, so that's really not germane, the fact it's undeveloped, it's based on trips for full build-out. It also provides is what i'd say is limited access to cascade station properties, the retail and office space that will be developed up there. And again, I will show a visual which shows the route out of that area which is cascade parkway to hood, mount hood, or to 82nd. That is where the traffic will go. It will not naturally flow down to 92nd avenue as has been suggested. So we believe shifting 700,000 or all of the cost to the port does not appropriately reflect the special benefit and we cannot support it. We believe it's based on an inaccurate perception that the port and port tenants have the ability to pay. And that traffic from retail and office developments will use 92nd. And I would just note that just as businesses to the south of the slough will need to absorb costs, so will the port by passing through costs to tenants and reducing revenue for other regional transportation projects. We're just not an open checkbook here. Studies indicate that 92nd avenue will be of limited benefit to businesses within cascade station. The majority of traffic will use 82nd and airport way. We were -- it's suggested we are landlocked,

March 28, 2007

we're not landlocked, we have airport way and 82nd, we have a lot of access points and that's that distinguishes from us south of the slough. Cascade station p.c. was approved without a requirement to make any improvements to 92nd avenue. It's been suggested that 92nd will become a thoroughfare and I would just say that after having gone to the site that that's unlikely to occur because of the current configuration of 92nd drive, it's not really very conducive to traffic turns of any size. Whether it's freight or otherwise. And I have three pictures that I will share with you that shows that, and I thank you for your time.

Leonard: Can I ask you a question? A couple things i've read here has indicated with respect to the square footage assessment methodology, that the port would not testify against that. So what happened? A couple things I have, from the other side, they indicate they've talked to you about the square footage assessment methodology, and in the communications, they've included a message that the port -- it says the port has also indicated it would not provide testimony opposing the proposal.

Glancy: I said we met with the businesses south of the slough and they talked to us about the square footage, and we said at that time that our -- just after of that time, that we didn't anticipate testifying today. But I just felt that there was so much discussion about retail and -- that we needed to testify --

Leonard: I want to try to get to the nuance a little bit here. I heard you say that you didn't support the square footage assessment methodology, the modified methodology, but do you oppose it? Is that different from your point of view?

Glancy: We will evaluate it if that is the methodology proposed. And as has been said, 82nd is a far greater improvement for us and if we need to put extra money into something, that's probably where extra money ought to go as opposed to 92nd. So another \$700,000 here makes less sense than 82nd.

Leonard: I see. Thanks.

Potter: Questions?

Saltzman: Andrew, who initiated this l.i.d.?

Aebi: The request came from several businesses south of the columbia slough. And especially the request came in when that ammonia truck or whatever it was flipped over on 205 and everything was shut down. I was getting messages from property owners in the area asking what could be done to alleviate that situation. And that's what gave rise to originally petitioning the project two years ago, and that wasn't successful, and I think I noted this in a prior council session that the port at that time didn't support the petition. So at that time all the petition support was south of the slough, and with this particular petition the effort, it was the value engineering and the cost reduce the port was inclined to support and it that's obviously why we're here today.

Saltzman: I heard the majority express support for the modified square footage approach. I'm not sure I heard anybody clearly define what that means.

Aebi: What I presented to you. Commissioner Saltzman, I presented you with the numbers and -- the numbers mr. Phillips provided me are actionable in the sense that they give me something to go notify the property owners with, but the rationale for how we came up with the specific calculations if you will on square footage I think would be best addressed by mr. Phillips.

Saltzman: It changes the cost allocation, but I'm not sure I understand what modified means. The tradition -- maybe after --

Aebi: There are a few other clarifications i'd like to make before council makes a roll call on this amendment.

Phillips: thank you, commissioner. I understand why there might be some confusion. The reason we're calling it a modified square footage proposal is because of the acme and glass plant properties. We have excluded two of their properties to take account for the private road access that they have by glass plant road. And that's a very unique situation that is in this l.i.d. area. And

March 28, 2007

they're the only properties that have this private road access. And that's glad plant road. Otherwise we would have made a straight square footage proposal.

Saltzman: Modified is removing two --

Phillips: That is correct. That is the only deviation and that's explained into my letter as well. That's the only deviation we made to a straight square footage proposal, and we thought that was fair to give them credit in essence for that private roadway access.

Aebi: Andrew aebi, local improvement district administrator. A couple of points of clarification. I do have allen snook here with us. If you have any question on the trip volume analysis please feel welcome to call allen. I did fail to mention that I do appreciate international paper being gracious and hosting that march 12 property owner meeting at their facility. Mr. Phillips has also been very gracious. I think we worked well as a team to bring forward this amendment before you today. A couple of things, there was some discussion about the financial impact of the proposed assessment south of the slough and I just wanted to provide you some examples of financing. Normally whether we do these l.i.d.'s most people don't pay the assessments in full when they eventually become due. Just to use a couple of examples, the smallest property south of the slough--if you don't change the methodology -- 16,489.65, my best estimate based on current bonding rates is if that were financed over 20 years that would be \$129.30. Using international papers as an example, their proposed assessment of 155,473.84. That would work out according to current rates.

1,191.26. Of course if you adopted the modified square footage methodology those numbers would come down. There was some comment, somebody commented that they were being assessed for 134 trips and they had done their own traffic count if you will, and they had a lower trip volume. It's important to note that the trip volume methodology is predicated on future and potential use not necessarily what is there today. The other thing, to the extent there is quote unquote bias in terms of the ratio of current future trips, there's some degree of bias if you will across the entire l.i.d. So it is entirely possible for example that north of the slough you wouldn't have the trip volume that was estimated by allen, but to the extent that everybody is being treated the same in the sense that everybody has been treated according to future and potential benefit, it isn't like we took some properties and based it on current usage and took other properties and based it only on future usage.

We looked at that future buildout across the board. There was also a comment, an allusion made to the east end connector project in terms of additional funds being expend order this l.i.d. I want to make clear for the record that very little of the fund for the east end connector project came from an l.i.d. All but a couple percentage points of that very large funding figure came from sources other than an l.i.d. So I just think that's worth noting. And then finally just to address two other points, there was a suggestion made by national storage centers they weren't notified. I received pretty ongoing communication from them alleging that they hadn't been notified of the projects -- I actually met with them in person in the local office. I sent them correspondence to the legal address of record. Earlier this year when they said they hadn't received notification of the project, I sent them a return receipt letter to the mailing address of record. I got that return receipt signed by them as mailed to their san francisco address, so they clearly received the communication at the mailing address of record. The best I can assume is they just didn't open the mail that was addressed previously. I want to make crystal clear over the past two to three years I have endeavored to send everybody communication on the project. And finally there was a note about private access being available. We're making an assumption that either for routine access or emergency access the best way to provide access is not having fire trucks or regular vehicles ramming down gates, but dedicating that right of way and providing legal public access for all parties concerned. What I would ask council to do is make a correction, I apologize for this error, but before you make a roll call on the vote, i'm happy to answer any other questions, I would ask you to on page 2 of exhibit I just change that total properties from 70 to 139 and change your revised percentage total from 80.8% to 100.0%

March 28, 2007

Sten: So the port's cost go up 700,000 under this proposal?

Aebi: They would, if you look at page 2 of exhibit i, the amount of the difference should you choose to adopt this amendment, 655,000 and some change.

Sten: So they go from essentially one 1.3 to 2 million on this thing?

Aebi: They're up over -- they're up around \$2 million and the percentage goes from 53% up to about 80.8.

Leonard: Are you ready? I'm going to move to adopt the modified square footage assessment methodology as proposed by the south owner coalition as indicated in attachment four to the march 27, 2007 memo from andrew aebi to the council.

Saltzman: Second.

Potter: Further discussion? Call the vote.

Adams: I want to thank you for the effort that you've put into this and your ongoing work on behalf of the Portland office of transportation. This is always a contentious issue. You always -- whenever you come before us these are always contentious issues. I appreciate your work. To the folks who have testified, I want to thank you for involving yourself in the process. These are balancing and improvement to the infrastructure and the city, necessary to deal with the growth for which property is zoned for, which is what we have to balance against in terms of impacts to payers. It's a tough job to do, but I appreciate whether you feel like you're on the winning end or losing end of this vote today, I want to appreciate and thank you for your involvement. Aye.

Leonard: I do think these are tough calls to make, but I think the balance is achieved with this proposal. Aye.

Saltzman: I appreciate the work that you've done. I appreciate the cooperation of the -- all the property owners, including the port, in looking at alternatives, and I do feel this alternative to my mind reflects the appropriate cost allocation given what I think will be an imminently successful cascade station redevelopment, and I think a lot of trips are going to -- a lot of customers will find their way to 92nd drive as a way to get in and out of cascade station. So I think it's an appropriate allocation of the cost. And reflects what I think are the benefits too. Aye.

Sten: I appreciate everyone working at it. I think mr. Phillips did a good job of getting everybody together. Congratulations. That being said, I feel -- it feels like it's unfair to the port. I think this is -- different people involved, but we had the south side request can we move forward, and the port going to 2 million at the request of the people saving of the money just doesn't seem like -- there's a lot of middle ground, would I probably support something that was a little closer to a middle ground, but it's shifting too much of the cost. I do generally believe the trip methodology is the better methodology for transportation improvements, not square footage, so well I can support a square footage strategy, not one that I think is this much of a deviation from the way we do it. No.

Potter: Aye. [gavel pounded]

Aebi: So we will be back here in four weeks after we renotify the property owners of the change amount. Thank you.

Potter: Recessed until 2:00 p.m. tomorrow.

At 3:16 p.m., Council recessed.

March 29, 2007
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 is a rough-draft transcript only. The text is the byproduct of the captioning of this program. The text has not been proofread and should not be considered a final transcript.]

MARCH 29, 2007 2:00 PM

Potter: Good afternoon, welcome to the Portland city Council, we're going to begin our afternoon session. Karla, please call the roll. [roll taken]

Potter: I would like to remind folks that prior to offering public testimony to the city council, a lobbyist must declare which entity he or she is authorized to represent. Please read the 2:00 p.m. time certain. [item 318 read]

Item 318.

Potter: Mr. Adams.

Adams: Thank you, mr. Mayor. I'm pleased to announce that with some hard work, representatives from the neighborhood association and businesses on the island with major property stakeholders, key property stakeholders on the island, with pdot and the Portland office of transportation, and with representatives, in consultation with representatives from the Oregon department of transportation, that major stakeholders have come together to agree on how to plan a more successful future for hayden island, and what that means is today we will be considering an amendment to the moratorium. The moratorium will be continued, but an amendment to the moratorium that instead of extending it for six months, that we would extend it for three months, and in that intervening time, we would do some important focus work involving the property owned by the jantzen dynamic corporation, that will give all stakeholders an opportunity to address the street connectivity, including pedestrian and vehicular traffic, transit access and circulation, and access from the island southbound for the freeway. The goal of these next three months is to come to agreement among all the stakeholders on how best to move forward on the redevelopment of the jantzen beach supercenter property. There have been a lot of people that have been involved with this effort, and I want to thank especially my staff, warren jimenez and jesse beason. I would like to thank my pdot team, as well. I would like to thank the neighborhood associations. I would like to thank the, the owners of, you are going to hear from some of the major property owners on the island, and I think that the amendment that I would like to introduce now will be -- is an important enhancement of our existing efforts to, to improve hayden island moving forward while keeping, some of you asked me on the way into the room, while keeping the moratorium in place in the next three months, and continuing the moratorium after the three months, but the change between, at the end of the three months and moving forward after that would be to get these kinds of agreements on improvements to the jantzen beach center site connectivity, transit access, access to the freeway, so moving forward with the moratorium beyond the three months, but that we would all feel good about the reinvestment in the jantzen beach supercenter site that would allow that redevelopment to occur after the three months moratorium continues on, on other kinds of buildings. The kinds of building that we would envision continuing to fall under the moratorium would be construction that would produce significant new trips, and that's the kind of, or construction that would add significant new parking, although we want parking to be a topic of discussion in our work with the jantzen beach supercenter in the next three months, or we would also continue to moratorium

March 29, 2007

projects that would hinder access on and off of i-5. So that would continue after the three-month period, but we think based on a conversations that the stakeholders have had with me, I believe that we can get an agreement on the jantzen beach center site, take care of a lot of issues there, and allow them to move forward with their redevelopment and reinvestment and improvement to that site. That's what we're talking about today, and if I could move the amendment so then we can have testimony on the amendment, can I move it as a proposed?

Potter: Yes.

Adams: Ok. I would like to move the amendment. It's this piece of paper, and it simply says that modified directive a of the ordinance to read ordinance number 180475 is amended to extend the moratorium imposed by that ordinance from april 4, 2007 to and including july 5, 2007, by amending directive e to read, "this moratorium shall expire on june 6, 2007, unless the council extends it in accordance with state law."

Kathryn Beaumont, Sr. Deputy City Attorney: Commissioner Adams, you said june 6. It's july 6.

Adams: July 6th, sorry.

Leonard: I thought it would still continue but with some exception.

Adams: By law, we can only extend it for a chunk of a period of time, not to exceed six months. We're doing this extension for three months. It's my intention to extend it beyond that, if necessary, and I think it would be necessary, but it would be done in a modified way.

Leonard: But it think council needs to support that. You said it was your intention, I mean the whole council has to vote to agree to do that.

Adams: And that's why I said my intention.

Leonard: Ok.

Adams: Not the council's intention. I'm only one vote on the council.

Leonard: Glad you remember that. [laughter]

Potter: Did I hear a second?

Leonard: Second.

Potter: Please call the vote.

Adams: Actually, if we could now take testimony.

Potter: Oh, that's right, I did jump the gun didn't I?

Adams: My office has invited four folks to come up and testify. Rick gill from the neighborhood, come on up. Steve abel, represented jantzen dynamic corporation, and john tush, who is a major property owner, another additional major property owner on the island.

Potter: Thanks for being here, folks. When you speak, please state your name for the record.

Rick Gill: Rick gill. Mayor potter, commissioners leonard, adams, Saltzman and sten. I am the past president and current treasurer of hayden island neighborhood network, also known as high noon. High noon is an organization of 14 homeowners and renters associations representing condominiums, floating homes, manufactured homes and houses. I am asking each of you to vote in favor of extending the hayden island development moratorium for three reasons -- first, the moratorium provides a reasonable period of time to complete a neighborhood plan for hayden island that makes it sure the maximum development allowed by the zoning codes is in balance with the capacity of the road system and is a plan that is best for all island businesses, property owners and residents. The Oregonian stated in its august 27, 2006 editorial, hayden island residents are right to seek breathing room to develop a plan for their neighborhood, which has never received the attention it deserves. Second, the moratorium is a new development pause until it is better known how the impact of the alternative selected to replace the interstate bridge will affect hayden island. Third, voting against extending the moratorium is taking the laissez faire caveat in tore position that can result in larger problems for hayden island and who knows how many billion dollar columbia

March 29, 2007

river crossings project. Please vote in favor of extending the hayden island development moratorium. Thank you.

Potter: Ok.

Steve Abel: Good afternoon. For the record, my name is steve abel, I'm an attorney with the stole reeves office, 900 southwest 5th avenue, suite 2,600 Portland, 97204. Today I represent the jantzen dynamic corporation, the owner of the jantzen beach shopping center, and you've seen me before in these proceedings back in october, and then 60 days later in december opposing the moratorium as it impacted the jantzen beach center site. As I said in those comments, moratoriums are serious tools. They have ramifications for property owners, for residents, and for the city, itself. I want to thank commissioner Adams and his staff. For working with us over the space of the last week or so, to try to find a way in which we can pro actively, positively work with the island, work with the jantzen beach center to the prosperity of the center, as well as the prosperity of the city citizens. I'm pleased this morning to have thrown away my notes, that I was going to bring and talk about today, and instead support the amendment as proposed by commissioner Adams. My client and I look forward to a positive, cooperative, and diligent process over the next three months to resolve issues and come back before you in three months with the answer to the problems. So thank you very much.

Adams: Steve, thank you for all your work as well and for all your work, coming up from california a couple times to help us work on this. Appreciate it.

Abel: You are welcome.

John Touche: My name is john touche. The owner, or the principal of the columbia crossings l.l.c., and we have 125 acres on the west end of the island, completes the marinas and the uplands that are related to those marinas and we've owned it since 2000. In fact it's February of 2000 when we acquired it. I live in seattle, Washington, I'm a real estate developer, and we do developments in seattle and up and down the i-5 corridor. First of all, i'm in favor of extending the moratorium. We had talked to the city about the potential for development on our site because it is zoned or we could do multi-family, at least a portion of it, and we've been advised that there was a failure of capacity at the i-5 intersection, and basically, our decision was to wait to see how things were going to develop with regard to the new bridge, the light rail station that's been slated to go on the island, and what our vision is, is basically, that hayden island could be something a lot more than it is now, which is in a category killer, big box place, and just a place for cars, that it could be a place for people, and that when you are looking at this, we're hopeful that the idea, the best site on the island is, of course, jantzen beach shopping center, which is right next to i-5, but that's -- you should consider upzones there for more density, and a neighborhood that's more like what I have seen in other parts of Portland, and that's the south waterfront and, and the pearl district, and not just, just something that I think 20 years from now people are going to look back at and say, what were we thinking and this is -- these -- this kind of thinking was out of date when we did it. Because I think what we're seeing is happening in seattle at north gate, which is becoming more density, more, when I say density, i'm speaking of residential density in terms of multi-family housing and that sort of thing where you get people on the street and you get the pedestrian activity, and it's not just an automotively oriented type of development. And I was under the impression that what you are going to do is look at the zoning on the island, and not just the jantzen beach shopping center. Because what you do there is going to have a profound impact on our property and there's some other large property owners on the island, who I read the editorial, who are also going to be affected by what happens here in the precedence that gets set. So thank you for your time and appreciate your moratorium.

Adams: And karla we can call up two folks. Brad houghton, who's been active on the island for a number of years, and then two we can go into more.

Potter: How many folks do we have on this?

March 29, 2007

Moore: Four more after them.

Potter: Please state your name for the record when you speak, and you each have three minutes.

Brad Houghton: Mayor, council, my name is brad houghton. I operate a business on hayden island, columbia crossings. I think this is the third time I have come to talk to you about this and I am glad to see it's moving forward. I really don't have a very long - - very much to present to you today that hasn't been presented in the past, and also in the last, with the last three speakers. I think one of the things that you will have to admit is that, is that the support and interest for this process is, has grown on the island over the last six months and continues to grow. I am impressed with the work that the planning commission has accomplished already, and we're definitely all looking forward to the opportunity to participate in developing a new direction for, for the community that's there. And, therefore support this moratorium and hope that we'll continue to, to move the planning process forward and end up with, with a new community that is vibrant and supports an urban lifestyle, thank you.

Everett Roberts: My name is everett roberts. I have lived on hayden island since 1972, so naturally I have seen a lot of problems come and go. And the main problem has always been access and egress. Now, with a moratorium and with the finalization of what is going to happen to the i-5 bridge and how that is resolved, should, and hopefully, will resolve some of our, most of our traffic problems. If it resolves our traffic problems then I am sure that development can be addressed and enhanced so that we have a plan, so that, we conform to a plan. Up until now, most of hayden island was not developed under our plan, and we need that plan. Thank you.

Timme Helzer: Chairman Potter, members of the Portland city council, I am timme helzer, 187 north hayden bay drive, Portland. Appointed by high noon board staring in 2004 I led a group of more than 40 residents, local business owners, civic leaders, and services, professionals in drafting the 10 vision statements and 40 projects of hayden island's comprehensive neighborhood plan. Thanks to the initiative and leadership of commissioner sam Adams and this council, these vision statements and proposed projects are now in the hands of joe zehnder, city planners, and local representatives to more fully develop the details of hayden island's comprehensive neighborhood plan for eventual approval by this council. However, this would not have been possible without the wise enactment of this council six months ago. The moratorium on commercial development across the island. Yet, major threats to disrupting this highly effective planning process continue to emerge. The columbia river crossing group with all of its planning expertise and public involvement, remain a major threat to the safe and effecient accessibility to and from the island. We must get our plan in place first in order to influence the columbia river crossing planners to accommodate to our plans and not the other way around. In a related issue, the last, in the last five years, the management of jantzen beach mall has refused countless invitations and initiatives by high noon to become actively involved in the island's planning and development process. Now they cry foul and impugn the motives and integrity of sam Adams and the city council when the mall's management has always had equal access and opportunity to help shape the future of hayden island. However, the special exemptions jantzen beach mall management requested six months ago did not address the broader issues and interests of the community, but focused, instead, on the poorly conceived and narrowly drawn business plans of out of town owners. We believe our emerging comprehensive neighborhood plan will help reduce the very high commercial space vacancies in the mall, and will bring more sustainable business services to the entire community. But the biggest and most sinister threat to our emerging comprehensive neighborhood plan are the surreptitious efforts by the port of Portland. It is well along in its secret plan to convert the precious natural habitat of west hayden island into the foundation of another bridge and a gigantic paved over parking lot for rail cars and inner modal containers, yet hayden island is an officially recognized part of high noon. It's future is specifically addressed by the 10 vision statements and 40 project proposals in our comprehensive neighborhood plan, that the port continues to completely disregard.

March 29, 2007

For these and other compelling reasons, the city council's vote today to extend the moratorium for another six months will allow local residents and business owners to continue working with city planners toward completion of the comprehensive neighborhood plan without this period of protection from these aforementioned special interests, serious problems of long lasting effect will significantly reduce the value of the property, business success, quality of life, and natural environment that is hayden island. Thank you.

Potter: Next three. Please state your name for the record and you each have three minutes.

Bernie Bottomly: Maybe Potter and members of the council, bernie bottomly representing the Portland business alliance today. Really, just here to congratulate commissioner Adams, the property owners, and the residents of the highland on coming up with a compromise that I think will allow all the parties to work on a more permanent solution. As chamber of commerce, we are generally opposed to moratoria of any kind. We think they are a last resort draconian measure that should only be used in the most emergent situations that once imposed there needs to be an equally focused and concerted effort to arrive at solutions that will allow the moratorium to be lifted so that property owners can exercise their rights on their properties. That said as an amateur carpenter I have made more than my fair share of trips to home depot out there and I know all about the traffic issues and appreciate the concerns that the residents their have and that the neighbors have. So with that said appreciate commissioner adams your work on this and work of the property owners and the neighbors in being flexible and finding a compromise that I think will advance everybody's interest. Thanks.

Margaret Johnson: My names Margaret Johnson, I've lived on hayden island for 15 years. Since you've reached an agreement between stakeholders as mr. adams announced I'm going to dispense with a few paragraphs that I planned to say. But I do want to emphasize to the council that when the City of Portland annexed east hayden island in the late 80's soon afterwards it allowed the expansion or the reconstruction of what had formerly been a retail center a bowling alley, some of you may have gone to the cinema out there. And that is what were living with now and that expansion by the city evidently did not take into account that private roads feed, private roads that are owned by residents on the island feed this shopping centers. So if there has been an agreement to extend this moratorium for three months I hope that the extension and the dialogue of supercenter people will take into account that private residents above and beyond our tax dollars which don't go for roads on hayden island our paying for the roads, the maintenance we get damage that are now serving home depot, comp u.s.a. their taking my refrigerators not to mention the traffic, especially from Washington that comes to shop their. So I hope that this issue is included in the next three months discussions with all the stakeholders and I thank you for the pro vote on the moratorium six months ago and I hope you keep it up thanks.

Pamela Ferguson: Hi my name is pam ferguson. I have lived on hayden island for about four years only. I represent a group of people that live on the west side of hayden island and the hayden island mobile home community. There is about 1,000 resident plus there as well as about 400 homeowners. We have a very diverse population in that community. Seniors, single-family, single-parent families young people we kind of have it all. We have a lot of veterans and things that live in the community as well. We all share a common love for the island. We love the fact that were usually only two minutes away from I-5 but during the crush of the holidays and busy weekends we're almost 30 minutes away from I-5 so the congestion is a major issue for us on the island. And the most important thing is planning for the future. I thank sam adams and his team for keeping us in the forefront for the past year and keeping our interest, getting our interest up for everyone to know about and we look forward to our neighborhood comprehensive plan being completed and working with Columbia river crossings to make sure that life on hayden island is continues and we have a good quality of life there. Thank you.

March 29, 2007

Potter: Thanks for being here, folks. When you speak, state your name for the record, and you each have three minutes.

Jan Zweerts: Good afternoon. I'm Jan Zweerts. I'm a director of the Jantzen Beach moorage. I've been on the island since 1999. I believe that the island needs a plan, otherwise, the developers will build what they want as quick as they can without regards to the overall workings of the island. We need to look forward to a future and plan for the future, higher fuel costs, and I believe the proposed bridge at Columbia crossings wants to put in \$2 to \$6 billion, would put all the lanes in one area, and concentrate the traffic even more than it is now. I believe that we should spread out the traffic and the risk and I favor a third corridor. I helped, I hope this will be put into an account for this moratorium in the next six months, which I favor. Thank you very much.

Walter Valenta: I'm going to grab my visual aid. Just a minute, please. This is the island. My name is Walter, and I serve on the Columbia River taskforce and I live up here. You only do a moratorium when it is incredibly important, and there's no other tool available, and that's what this really fits. If there ever was an example where this fits. I want to keep us reminded on what the prize here really is. Light rail is right here right now. It's going to go across here over on a new bridge to Vancouver. Right by and adjacent to the property. This bridge is likely to expend more on this side than that side right by, again, this property. And this entire, this entire center part of the island is going to be dramatically changed. An elevated structure, the slough bridges probably rebuilt. This intersection is probably rebuilt. Everything brand new, everything through this whole corridor. And to allow, not to allow the time, to plan, the opportunity of a century for the island because we want to pop a few big boxes in there is astounding to me, quite frankly. We didn't handle this before, and I want to keep the eye on the prize. The prize is a once in a generational chance to transform the island that's our northern boundary as part of a \$6 billion massive group, and we need to give it the time. I'm willing to do the three months if we really have some, some sincere participation, but this can change. This is expensive, valuable property where there is a light rail station in the middle of it. It might not look exactly like the first application, so give and take on both sides is important. To me, we got to take the time to make sure that we get this right, and so I'm willing to do the three months. The three months may not really be enough time, I would have liked the six months, to tell you the truth, settling for the three months, but remember, this is, this is too important to not give it the time. Thank you.

Adams: Just to reinforce what, what the council and those watching and in attendance, Walter is also on the Columbia River crossing, and so in addition to his full-time job making money, he almost has a full-time job on the Columbia River crossing project, and I appreciate your work there.

Adams: The last person is Ed Garrins, the neighborhood association president.

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

Ed Garrins: My name is Edward Garrins, live in Portland, Oregon. I am the newly elected chair of the board of "High Noon," which is the neighborhood association. I want to thank this body for six months ago taking on the challenge of the vision of bringing forth this planning process. It's long overdue. You know it's overdue. The other thing is, as Mr. Valenta pointed out, we're going to have a major construction project rip right through the middle of our community. We don't want to be at odds with the people who own the mall. It's where we shop. We want it to be a successful venture. We have repeatedly tried to get them to engage in dialogue, to work with us because we know the island. We know the neighborhood. All that mall is now is a place for people from Vancouver come to shop, and to pull out from where I live and have to sit in the line of 20 cars and three or four semis just to get on I-5 to go to work, to go shopping, to go to have dinner, anything. That's the only way that we have on and off of that island, and I don't think that the people in the mall realize that until the transit issues are fixed, they could pour a lot of money into that mall, but they are not going to get any more customers there because people don't want to deal with the traffic to come to it. It is in their interest to work with us and to cooperate with us and to deal with these

March 29, 2007

issues so that we can all have a better quality of life, and have a successful venture. I would like all of the people here, who were here today who support the moratorium, to stand up for a moment. I would like those of you on the city commission, these are the folks who represent a lot more folks. We are glad that finally, the ownership of the mall has decided to come and work with us and listen to us and help us have a successful quality of life and business environment that will serve everyone's needs. I hope that during this three months, they will, in fact, do that, that they will communicate with this community, that they will work with us because we don't want to have a war with them. We are not at odds with them. We simply want to invite them to be a part of our neighborhood, which we know better than anyone else that they could hire or spend money to work this out with. So, I want to thank all of you again very much. Please give us three months, and please remember that the cooperation that we received and the team that we're able to form is going to have a lot to do with how this goes next. And these are the folks back here who were counting on you to make sure that dialogue happens. Thank you very much.

Potter: Is that it?

Adams: Yep.

Potter: Further discussion?

Leonard: I would like to have some questions answered, and I don't have a script, but the first -- i'm trying to in my mind organize a little bit how I want to go about this, is my view that council feels the need to be more involved in the decision with respect to the moratorium, and better understand some of the issues involved, so I would -- maybe get some advice from commissioner Adams on this. I would like to hear more about, from, from either steven tang or steve abel or both about the concerns that's been raised that they have not been responsive to working with the neighborhood to develop a plan, and also like to hear more about what has been done in the last six months during the moratorium to develop the comprehensive plan, where that's at, so probably --

Adams: Probably steven or joe, maybe? Joe, do you want to come up?

Leonard: So steve, you heard what's been said here, and i'm trying to sort out a little better -- I have been recently to figure out what some of the issues are involved. Is it accurate that your clients have not agreed to sit down with the neighborhood to develop a development plan for the mall that would better reflect the interests of the hayden island community?

Steve Abel: For the record, steve abel. That question i'll focus on that question from the beginning of the moratorium in october. As you know, when the moratorium is enacted, within 60 days after the enactment of the moratorium, there was a vote of the city council to adopt a plan to begin a process of, of planning for the island, planning the transportation system for the island. I have said to many people, and in fact, I believe this, that, in fact, what happens with a moratorium is it stifles communication. It places property owners in a position of an uphill battle, not being able to utilize their property and being stuck, if you will, in potential, in the case of a large property, large losses. That's something that does occur, and stifles, I think, communication. Hard to have conversations with the boots at your neck, if you will. I was encouraged on january 23, 3.5 months after the moratorium was issued, to get a phone call from the bureau of planning saying that they wanted to embark upon a planning process. I was also encouraged in the first week of february when mr. Tang met with representatives of the bureau of planning in the mayor's office, again, expressing a desire to move forward with planning, and in fact, mr. tang sending an email to the bureau of planning saying that he was anxious to move forward with that process. I don't believe that process moved forward in the way that it should have, and with all that said, the reason that I made the statements that I made today about a diligent process over the next three months, in communications with the city, I believe, we are going to have those communications, and those communications are will involve communications with the neighborhood. But, during that period of time, I say, frankly, with the moratorium, the financial losses, it's very difficult to have conversations on very positive level.

March 29, 2007

Leonard: I guess i'm trying to understand, what -- I don't want this to be a, a, um, a process of futility, if there is no interest on our part to work with the neighbors. That's going to help us decide what to do. Are you saying that, that your client is willing to sit down, listen to the issues as they are laid out, the conductivity issues, the kinds of developments that they may be interested and see if you can find a way to move from wherever you have been in the past?

Abel: The answer to that is yes. It is yes based upon conversations that I have had with commissioner Adams and his staff, and a memorandum that's been shared with you about those conversations

Leonard: And joe, what has happened up until now, six months into the moratorium, the -- what is it that we had intended to accomplish in october when we imposed the moratorium and what has been done to achieve those goals up until now?

Joe Zehnder: Currently we have two contracts underway to do existing conditions. Assessments of the island around environmental issues and traffic issues. Those are two big pieces to feed into the planning process. We expect to have the consultant team onboard to prepare the plan next month. We're in the process now of hiring a project manager, interviews for that are next friday, and in the period since the adoption of the moratorium, we have been in a development of the scope and negotiations with the c.r.c. and the odot around the transportation related issues, as well as with the port, which has asked that we add west hayden island into the consideration, you know start a west hayden island process at the same time we are doing the east hayden process, which took time to sort out how that could be done and the conclusions been to separate the two so that we can stay on track timing-wise with east hayden island. We have got a process set up that would have the east hayden island plan done by october 2008, april 2008, which is when the moratorium period of all the pieces were, all the extensions made have expired.

Leonard: Didn't we fund the position at bureau of planning to oversee this process when the moratorium was enacted?

Zehnder: Yes.

Leonard: We still haven't hired the person?

Zehnder: We have not.

Leonard: That wouldn't sound like a very confidence building move on our part for the people that own the property.

Zehnder: Yes.

Leonard: Or the neighbors I might add. I wouldn't imagine that anybodys particularly pleased that we haven't accomplished that.

Zehnder: Yes. The, the --

Leonard: What's been the problem? Don't we have somebody that we can appoint to that, and then fill that person so backfill?

Zehnder: Well, the dilemma has been within the staffing of the bureau having to close down other projects to take that up, so after evaluating that, we chose to try to step up to fill the position through recruitment

Leonard: And I don't know if this is pointed at you -- in fact, it isn't pointed at you, but I have to think out loud. We hadn't done any planning to prepare for this moratorium. It just, just kind of dropped the hammer, and we're taking our time to hire staff and let consultant funds --again, i'm not pointing at you on the spot, if somebodys listening that could connect these dots for me. But we took a pretty draconian approach, one that i'm not familiar with, ever before having been taken, and we just kind of languished for six months and allowed everything to stay frozen out there with no improvements or conversations. I am having a hard time getting my arms around this moratorium, if that's -- if we are not stepping up to the plate on our part.

Zehnder: Yes, commissioner. What we did do to step up to the plate, even outside of the, of the sort of contracting provisions, was to start the work on transportation, start the work on

March 29, 2007

environmental assessment so those are two pieces of work that we would typically be part of doing a plan like this, so we are, we are doing that through flexible services contracts using, using -- pdot's flexible services contract to do that, so we have got work underway, even though we weren't staffed to actually manage the project, but the way, on the staffing up at the project manager, I think that that is excessive delay. We went through sort of a back and forth process about what the proper way to staff it was and really pulled into other discussions with the port on how to deal with west hayden island, and so there was a period where the exact scope of this was in a bit of flux. We're prepared to step up, though, and accomplish what needs to be done over the next three months, and actually, plug that right into the neighborhood plan process that we have underway.

Leonard: So, I won't beat that to death any more.

Zehnder: I hear you.

Leonard: I appreciate your response. But there was a february 1 meeting that steve just talked about with mr. Tang in planning. Were you involved in that?

Zehnder: Yes

Leonard: So do you have some ideas of what a possible solution is going to look like in the next three months?

Zehnder: Yes.

Leonard: You do?

Zehnder: Yes.

Leonard: Do you think that's achievable?

Zehnder: Yes

Leonard: Thank you, that's great.

Potter: I had a question about the connection between what were doing in terms of planning and the columbia crossing planning. How is that going to align?

Zehnder: The columbia crossing project is still at the staff level. It is going to have it's recommendations for interchanges by September. And what -- our process is designed to do, and this three-month sort of workshop that we are going to do with jantzen beach really does accelerate it a useful way, is to have the street network issues that make a difference for the development of the island and how -- what that would allow us to evaluate what different interchange designs might do to that street network system. We're going to have that in place to be able to weigh into the staff's recommendation. That was our target as the place where we have to have enough of a plan done to push back where we think that the public interests of the island is being affected by the interchange design so that's, -- we're still on target to do that. I don't believe that the decision about interchange design is due until the end of the calendar year, so we'll actually have a lot of the plan done, enough to respond to that. They're sort of developing the plan which contains the ideas in the street network. There's another part of it that's really getting into the zoning and into the real details. We don't need that, necessarily, to be able to properly respond to the columbia river crossing. The decision about adding, you know, the third alternative, the arterial bridge alternative is one we haven't figured into our process yet. We were still thinking it was upstream or downstream in terms of the number of alternatives that c.r.c. would bring forward, so I know we're absolutely on target to be able to respond to the two option version, and we'll have to talk with c.r.c. more about what, what work needs to be done to respond to the arterial bridge. Is that make sense? Ok.

Potter: Further questions. Thanks, folks. There's no further testimony, correct? Ok, we will vote on the amendment.

Adams: I want to thank you. I wanted to offer to my colleagues on the city council for their, support and at this point, we'll see how the vote goes. Their support and interesting consideration of this issue. I also wanted to underscore especially the, the -- I thank randy Leonard, my colleague

March 29, 2007

on city council for his engagement on this issue and for sticking with me on some very good conversations over the past couple months on this issue. I want to thank you, randy --

Leonard: Thank you.

Adams: And with that i'm happy to look forward to getting to work. We're ready to go, and happy to vote aye.

Leonard: I really thank sam a lot. We did have some very spirited conversations over the past few days, and I really appreciate sam's commitment to doing the right thing, and I think his memorandum today reflects that, but I am a person that -- I just feel very strongly about being fair, and sometimes some groups think that means that it favors them and other groups think it favors them, but when you are fair, it actually oftentimes, at one point or another, makes everybody unhappy, so in that vein, when this comes up for renewal again, i'm going to have kind of a measuring stick that i'm going to use, and that's going to be a fairness measurement stick. I do believe that for whatever reason, up to some point, that the developers at the shopping center may not have wanted to engage the neighbors, but that's history in my determination. But, from this date until the expiration of this agreement, I do expect them to do, as was as represented here today, work in good faith to try to meet legitimate concerns halfway. If that doesn't happen, I just need to be clear, that will greatly influence how my next vote goes. In an interest of fairness, if the neighbors dig in and decide that they have leverage and aren't as equally earnest in finding a middle road, I will tell you that that will greatly influence how I vote the next time. But, just to make sure that I covered everybody, if the city behaves in the way it has in the last six months, in providing resources in an earnest attempt to resolve this, I cannot support another extension. It is not fair to cause the kind of, financial hardships that we have as a city and then drop the ball and not do the things we should be doing, and I cannot vote to extend this if that happens again, so with those three caveats in mind, and my, again, my thanks to commissioner Adams for his passionate advocacy of this issue. I vote aye.

Saltzman: Aye.

Sten: I want to thank commissioner Adams. Good work and both sides, it's, you know, it's a difficult situation, but I think this is the right approach, and I believe that we have a chance, i'll say, to get this right. We're not there yet. Voting on this moratorium wont get anything right but it will give us a chance, and I look forward with you to try and pull it off. Aye.

Potter: I do expect to, in three months, hear some good news. I'm going to make sure that all of the parties have a voice in the discussion, and I appreciate commissioner Adams' leadership on this issue. I appreciate the leadership of the community, and it's good to see that people are sitting down to talk. That's how the council likes to see situations resolved, is by people of good will sitting down and solving a mutual problem and issue that's of concern to them. So, three months, I hope to hear very good news. Perhaps even before then. I vote aye.

Moore: We need to do a roll on the ordinance, as amended.

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

Potter: Aye. [applause] Will you read the 2:45. Excuse me, folks, we're having a city council meeting. Could you please go outside with your conversation? Please proceed.

Item 319.

Potter: Mr. Adams.

Adams: Thank you, mayor. I'm pleased to introduce her, in her last appearance before the Portland city council, to someone who has just done a great job for us on a lot of different projects. Miss harrison is going to walk us through, along with other colleagues, what these changes are. Mostly housekeeping in nature, but you'll point out any policy issues that we should be aware of, as well.

Jeanne Harrison: Thank you. Good afternoon, mayor Potter and commissioners. My names jeanne harrison representing the Portland office of transportation, and with me is courtney duke.

March 29, 2007

Before you is the second technical update of the city's transportation system plan. The record for this project is here in council chambers and located in the box to my right. It consists of the background information and a staff report to the planning commission, correspondents, and notices.

The record is available, if the viewers want to review it. A little background, the city's transportation system plan was adopted in 2 on your side, and as a blueprint for transportation services and investments for the following 20 years. We did a first technical update in 2004, and that was adopted by city council. The point of the technical updates is to gather up and consolidate into one document transportation plans and projects that have been completed in the last two years, including things like the master plan. And to also update the list of transportation projects as a major component of our t.s.p., as it is called. In addition to the more technical amendments, corrections and so on, we also are including some new policy language relating to green streets. This is, as an outcome of phase one of the green streets inner bureau team efforts. The -- this is our opportunity to start to implement green street policy through the transportation system plan. The changes are relatively minor, and are more of a clarification and refinement of language that we already had in the t.s.a. They reflect elements such as planning and redevelopment of streets, educating the community about green streets, and innovative financing and incentive. The public involvement process for this update is rather limited because of the technical nature.

however, we did hold presentations before the bicycle and pedestrian advisory committees, Portland great committee, the city land use group and stormwater advisory committee. The stormwater advisory committee reviewed and approved the changes that were being done in relation to the green street and have included a letter in the documents before you. Is the planning commission notice was mailed to over 600 persons and groups and notices and documents were also posted on our website. In addition to the changes approved by the planning commission in, on october 24 of last year, staff has identified a few minor changes that we would like to have you consider for inclusion, as well as the planning commission's recommendation. Those are outlined in a memo from me dated march 12, 2007. I think you should have that memo in front of you that was distributed earlier. March 12.

*****: Do you have copies of that?

Potter: Does everybody else have a copy?

Harrison: The changes in that memo are to the definition of green street in the report in cutting and pasting as the last line was left off so I have included the complete distinction of the green street that we would like you to include on page 2, there's some amendments to exhibit c, which are the project lists. We're asking to retain one project and delete another project based on ongoing work on the streetcar alignment from p.s.u. to south waterfront to be more, more accurate and reflect the activities that have been completed to date. And at the bottom of that page, there begins a number of changes to project description that are reflective of the i-5 victory to lombard project. We have originally had some placeholder projects in the t.s.p., and this is a refinement of the projects, and they were identified as part of a presentation before you that you approve through resolution last may, and those were inadvertently left out of the document. Finally, staff recommends to the city council and that you adopt the ordinance in front of you, exhibit a, b, and c, and as amended by the memorandum, and then a direct staff to update the t.s.p. One other thing that I would like to mention is that in the last couple of days, we received is a, a number of emails and calls from, from community members in north Portland who who have asked us to include in our recommendation new alignments for the greenway trail between st. John's and the steel bridge.

We are not recommending that occur because these alignments are being discussed as part of the river plan process that's currently underway with the bureau of planning. We would like to defer to that process and then incorporate what comes out of that process in the next major update of the t.s.p., which will begin in this coming fiscal year. Are there fully questions?

Potter: Thank you. Did anybody sign up to testify?

March 29, 2007

Moore: Three people signed up.

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

*******:** Good afternoon. It's a beautiful day out there.

*******:** We wouldn't know.

Francie Royce: It's really nice out. A great day for a bach or bike ride. Good afternoon. I'm Francie royce and I am speaking on behalf of an organization called "np greenway." it has the vision of completing the willamette greenway trail through north Portland from the steel bridge to the st. John's bridge and so -- and I am it today. Other people are working. So, is on behalf of n.p. Greenway, we request that the north Portland willamette greenway, with the neighborhood connections somebody included in the city's transportation system plan. We believe that the trails are an essential transportation recreation route in the north Portland community, a bicyclist and walkers to connect north Portland neighborhoods to the rest of the city. It will link businesses and employment centers with the swan island, the university of Portland and downtown st. John's. Our organization was formed and our vision, we hosted events, community meetings, and we have testified in support of the university and made a zone change to remind everyone of the amendment to build the trail. We convened the working group meetings and have taken elected officials on tour. And we have worked to support the metro bond, metro green spaces bond measures with hopes of the land acquisition along the north Portland reach. We got a grant to repair vision map and donated printing to get it out. It's on our website, which is here. Our feedback in the community has been positive with requests to include more neighborhood connections and honor the industrial heritage of our working river. Our communication director emails alerts out to about 300 supporters on our list. So, the north Portland greenway, the north Portland willamette greenway concept has been around for 20 years. It is addressed in the, obviously, in the original willamette greenway plan. There was also a, a feasibility study conducted in 2 on your side funded by the Portland parks metro and the port of Portland, and it never came to the city council for adoption. In 2004, the swan island transportation management association with assistance from [inaudible] pdot [inaudible] city park picked that up and secured funding in 2005 for a link to the future greenway trail down wad bluff, which will provide an important neighborhood connection across the railroad tracks of the bridge.

Adams: Is that in the st. johns neighborhood plan?

Royce: That is in the st. John's neighborhood plan in 2004, which was adopted by resolution and ordinance by the city council, has language that says, "encourage expansion of the willamette greenway trail from cathedral park to the willamette with the eventual connections going to the university of Portland, swan island and the eastbank esplanade." the north beach vision plan references the greenway trail in north Portland and the park bureau recreational trail strategy of june 2006 shows an alignment along the river. So, the existing t.s.a. bike system throws the greenway trails from the st. John's bridge to edgewater with the policy consideration for extension of the willamette greenway south from the current designation [inaudible] edgewater and a connecting trail onto swan island following the feasibility study. We believe that 2 on your side feasibility study is that feasibility study, it needs to be update and had adopted. So, things have really changed in north Portland in the last 20 years. It's pretty obvious if you live in the neighborhood, you walk through the neighborhood, there are many bicyclists, walkers, new businesses, and adidas being one, and so, finally, I just want to, to reiterate that we request that the entire north Portland willamette greenway trail with the neighborhood connections be included as a policy action statement for an updated feasibility study in the current updates, and we realize that that's asking a lot, and we request that the cathedral park and willamette poe with the connection to willamette boulevard be added as a -- listed as a project like the extension of the river road, which is in the document before you, then the major --

Potter: Are you almost done?

March 29, 2007

Royce: Yes. One more sentence, thank you. And in the major update of the t.s.a. [inaudible] the willamette greenway into north Portland to be included and broken into project segments. Thank you.

Potter: Thanks for all your work as a north Portlander, all your advocacy work, appreciated the opportunity to spend a wet day with you tromping around this area and I assume you are going to comment on the same topic.

Michelle Poyourow: I am michelle poyourow, here as a representative of the bicycle transportation alliance. I live in southeast Portland. I am here to express support for the inclusion of the north Portland greenway trail in the t.s.p. I understand the need to defer to the river planning process, and so while i'm sorry to not see it in the update this year, I will be much sorrier if it is not in there next year. I look forward to that. And I just want to touch on two points that are sort of you didn't quite cover. One is that the environmental services is spending quite a bit of money to improve the willamette river and keep it clean be and make it more accessible to people and maybe even healthy one day to touch if not swim in. And so having a trail system in north Portland that brings people closer to the river will be a good leverage, I think, with that investment. And the second thing I would like to point out is that north Portland is one of the few is close and affordable places for families to buy homes in Portland right now, and one way to help keep it affordable is to keep it accessible by alternative transportation, and one very affordable form of alternative transportation is walking and biking. So, perhaps with the addition of this trail north Portland families will be able to get by with just one car, which will make them more able to purchase a house there and work downtown. That is all. Thank you for the opportunity to speak to you today.

Adams: I want to thank you for both being here, and I agree that we've got to get this effort into the t.s.p., and the reason why its not is really out of respect for the other process underway, and but I would, I just wanted to share with you, my legislative intent to get that process wound up in a way that we are able to include it in the next update, and I want to make sure, maybe you could email me later, francie to, make sure is that the update that you are requesting is being done in a way that we can meet the time line that you talked about for the next update. The feasibility study update.

Royce: There is no river plan update. This was suggested at a taskforce meeting for the north Portland reach, and the, the staff responded that, that there is no funding in the river plan to do this, but that's something that could come back to the river plan main committee when it's adopted, but this was a very long process. They have loaded up many, many planning efforts within --

Adams: So if you wouldn't mind giving me your perspective, and I will follow-up with staff, as well so your perspective on what would constitute a valid update.

*****: I can.

Adams: That would be great. Thank you. And did you want to say a few words?

*****: Yes.

Adams: Please do.

Ann Gardner: Thank you very much. My name is anne gardner, snitzer steel. I'm here this afternoon on behalf of the working waterfront coalition. We are in support of the housekeeping and technical amendment before on the transportation systems plan, but I would be remiss if I didn't talk a bit about the importance of the greenway trail. The industrial community is, is supportive of finding a way to complete and have a continuous trail, but, but as we proceed, we're finding that there are a number of challenges associated with the safety and security, particularly in the working harbor, and some of those challenges are, um, even more acute today than they were three years ago. We're more aware of, of, quite frankly, the security and safety issues, and so, um, this conversation is proceeding within the river planning process, participating with that rigorously and we'll continue to do so is, but, but we do need to be mindful that there are going to be some

March 29, 2007

significant challenges, and at some point in time, we'll have to make our decision. I thank you very much for the opportunity to comment today.

Adams: My understanding is those are real, real live challenges. Based on sort of your read of it, do you think that they are workoutable? Or is it too early to tell?

Gardner: Well, you know, yes, obviously, there will be a solution, but I think, um, there are some expectations that the community has. We understand those to be close to the river, a good part of the way, and some of locations of the more we understand and learn, the more we know that that's not going to be possible. We had a really, really extensive meeting out in the area of, of the petroleum storage facilities, walked the city planners through the issues. The camera is 24-7 down there. Someone comes into the area that's not, not, not supposed to be there, we call 9-1-1. And so you don't necessarily invite folks to be in that part of the town even though that's maybe where we had an aspiration to be. Similarly, there's a huge issue putting the greenway trail right next to the rights-of-way, and those railroad lines are becoming more heavily used, and we're wanting them to be because you make good use of that railroad infrastructure, but to put folks in such close proximity without careful planning, um, it just is taking a little while, commissioner, to work through those difficult issues.

Adams: A good preview of the topics.

Gardner: Thank you.

Potter: Thanks, folks. Is that it? Further discussion? Non emergency, moves to a second reading.

Moore: Roll call on that amendment. The memo.

Potter: Pardon?

Moore: The amendment. The memo.

Potter: Ok. I think we moved and need it seconded still, right?

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

Adams: Move.

Leonard: Second.

Potter: Who seconded it?

Leonard: I did.

Adams: Aye. **Leonard:** Aye.

Saltzman: I want to thank jeanne harrison, this is really your last time. Thank you for all your service again, aye.

Sten: I'm going to vote aye, of course, and thanks, jeanne. I think you have really been almost, you know, a symbol, as well, of the real thing in terms of what a planner and public servant can do. It's been a pleasure working with you and we'll see you around, walking the Portland streets and enjoying the plan. Aye.

Potter: Aye. We're adjourned until next week.

At 3:10 p.m., Council adjourned.