



CITY OF
PORTLAND, OREGON

OFFICIAL
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **27TH DAY OF JUNE, 2007** AT 9:30 A.M.

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

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

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

COMMUNICATIONS	Disposition:
<p>731 Request of Paulina Bravin to address Council regarding the immigrant women from Del Monte released by Immigration and Customs Enforcement (Communication)</p>	PLACED ON FILE
TIME CERTAINS	
<p>*732 TIME CERTAIN: 9:30 AM – Adopt budget adjustment recommendations and the Minor Supplemental Budget for the FY 2006-07 Spring Budget Adjustment Process and make budget adjustments in various funds (Ordinance introduced by Mayor Potter)</p> <p>Motion to carry over the existing special existing appropriation for the Miracles Club, \$450,000: Moved by Commissioner Saltzman and seconded by Commissioner Sten. (Y-4)</p> <p>(Y-4)</p>	181080 AS AMENDED
<p>*733 Adopt the FY 2006-07 Spring Major Supplemental Budget in the amount of \$7,454,331 and make budget amendments in five funds (Ordinance introduced by Mayor Potter)</p> <p>(Y-4)</p>	181081
<p>734 TIME CERTAIN: 9:45 AM – Conduct a Proposed Use Hearing on State Shared Revenue (Hearing introduced by Mayor Potter)</p> <p>(Y-4)</p>	PLACED ON FILE
<p>735 Certify that certain services are provided by the City to establish eligibility for State Shared Revenues (Resolution introduced by Mayor Potter)</p> <p>(Y-4)</p>	36515
<p>*736 Elect to accept funds from the State of Oregon under the State Revenue Sharing Program for the fiscal year beginning July 1, 2007 and ending June 30, 2008 (Ordinance introduced by Mayor Potter)</p> <p>(Y-4)</p>	181082

June 27, 2007

<p>*737 Close the Sewer System Safety Net Fund and the Sewer Revolving Loan Fund (Ordinance introduced by Mayor Potter) (Y-4)</p>	<p>181083</p>
<p>*738 Adopt the annual budget of the City and establish appropriations for the fiscal year beginning July 1, 2007 and ending June 30, 2008 (Ordinance introduced by Mayor Potter)</p> <p>Motion to adopt the budget as amended in Attachments B, C, D, and E to the June 14th memo, adoption of the FY 2007/2008 budget for the City of Portland: Moved by Mayor Potter and seconded by Commissioner Adams.</p> <p>Motion to amend the previous motion to include a special appropriations account for the Miracles Club to carryover \$450,000: Moved by Commissioner Saltzman and seconded by Commissioner Adams. (Y-4) (Y-4)</p>	<p>181084 AS AMENDED</p>
<p>*739 Levy taxes for the City for the fiscal year beginning July 1, 2007 and ending June 30, 2008 (Ordinance introduced by Mayor Potter) (Y-4)</p>	<p>181085</p>
<p>*740 Authorize CityFleet to purchase new and upgraded vehicles and equipment for Office of Transportation and Bureau of Development Services in FY 2007-08 (Ordinance introduced by Mayor Potter) (Y-4)</p>	<p>181086</p>
<p>Motion to suspend the rules to hear item 741 before 10:45 a.m.: Moved by Commissioner Saltzman and seconded by Commissioner Sten. (Y-4)</p> <p>*741 TIME CERTAIN: 10:45 AM - Amend an Intergovernmental Agreement with the Port of Portland related to Portland International Airport and increase allowable compensation up to \$819,804 to reimburse the City for costs related to a 34-month joint City and Port planning process titled Airport Futures (Previous Agenda 705; Ordinance introduced by Mayor Potter; amend Contract No. 52355)</p> <p>Motion to bring back before Council for additional discussion with the Port and vote and add Clackamas, Washington and Multnomah Counties: Moved by Mayor Potter after passing the gavel and seconded by Commissioner Adams. Friendly motion to amend document if there are any vacancies they are filled in accordance with the original procedure used to establish the committee: Moved by Commissioner Adams and seconded by Commissioner Saltzman. (Y-4)</p> <p>Motion to add an emergency clause: Moved by Commissioner Adams and seconded by Commissioner Sten. (Y-4) (Y-4)</p>	<p>181096 AS AMENDED</p>
<p>CONSENT AGENDA – NO DISCUSSION</p>	
<p>742 Appoint Steven Heiteen to the Development Review Advisory Committee for a partial term to expire January 25, 2009 (Report introduced by Mayor Potter and Commissioner Leonard) (Y-4)</p>	<p>CONFIRMED</p>

June 27, 2007

Mayor Tom Potter

*743 Authorize Intergovernmental Agreement with Multnomah County for partial payment of Public Safety Plan (Ordinance) (Y-4)	181059
*744 Authorize an Intergovernmental Agreement with the Centennial School District 28J for financial support of certain activities and programs (Ordinance) (Y-4)	181060
*745 Authorize an Intergovernmental Agreement with the David Douglas School District No. 40 for financial support of certain activities and programs (Ordinance) (Y-4)	181061
*746 Authorize an Intergovernmental Agreement with the Parkrose School District 3 for financial support of certain activities and programs (Ordinance) (Y-4)	181062
*747 Authorize an Intergovernmental Agreement with the Portland Public School District 1J for financial support of certain activities and programs (Ordinance) (Y-4)	181063
*748 Authorize an Intergovernmental Agreement with the Reynolds School District 7 for financial support of certain activities and programs (Ordinance) (Y-4)	181064
*749 Authorize an Intergovernmental Agreement with the Riverdale School District for financial support of certain activities and programs (Ordinance) (Y-4)	181065
City Attorney	
*750 Extend contract with Rodger M. Hepburn, Esq., Reinisch, Mackenzie, Healey, Wilson & Clark for outside legal services (Ordinance; amend Contract No. 52403) (Y-4)	181066
Office of Management and Finance – Financial Services	
751 Statement of cash and investments May 03, 2007 through May 30, 2007 (Report; Treasurer) (Y-4)	PLACED ON FILE
*752 Authorize a borrowing of not more than \$25,000,000 in anticipation of the Fire and Police Disability and Retirement Fund levy for fiscal year 2007-2008 (Ordinance) (Y-4)	181067
Office of Management and Finance – Human Resources	

June 27, 2007

<p>*753 Create a new represented classification of Botanic Technician and establish an interim compensation rate for this classification (Ordinance) (Y-4)</p>	<p>181068</p>
<p>Office of Management and Finance – Purchases</p>	
<p>754 Authorize a purchase order with McRobert Motor Company doing business as Gresham Ford to furnish Ford Crown Victoria Police Interceptors for the contractual amount of \$967,500 (Report) (Y-4)</p>	<p>ACCEPTED</p>
<p>Office of Management and Finance – Revenue</p>	
<p>*755 Authorize Intergovernmental Agreement with Multnomah County for the Revenue Bureau to continue to administer the Multnomah County Personal Income Tax (Ordinance) (Y-4)</p>	<p>181069</p>
<p>Office of Neighborhood Involvement</p>	
<p>*756 Amend contracts with the five neighborhood association district coalitions for program operations to provide for FY 2007-08 funding (Ordinance; amend Contract Nos. 34248 through 34252) (Y-4)</p>	<p>181070</p>
<p>*757 Authorize grant agreement with Human Solutions to work with the East Portland Neighborhood office to implement outreach and neighborhood leadership development efforts with underrepresented groups in East Portland (Ordinance) (Y-4)</p>	<p>181071</p>
<p>Commissioner Sam Adams</p>	
<p>Bureau of Environmental Services</p>	
<p>*758 Authorize agreement for conveyance of the Kevin Helean property, located in the Johnson Creek floodplain project area to the Bureau of Environmental Services (Ordinance) (Y-4)</p>	<p>181072</p>
<p>Office of Transportation</p>	
<p>*759 Amend contract with Portland Streetcar, Inc. to provide additional review and qualification testing services for the new streetcar vehicles (Ordinance; amend Contract No. 31428) (Y-4)</p>	<p>181073</p>
<p>*760 Authorize an Area Parking Permit Program per Title 16 Vehicles and Traffic in the N Portland Eliot Neighborhood (Ordinance) (Y-4)</p>	<p>181074</p>
<p>761 Amend Intergovernmental Agreement with Oregon Department of Transportation for design of the East Burnside and Couch Couplet Project to include right-of-way services obligations (Ordinance; amend Contract No. 52687)</p>	<p>PASSED TO SECOND READING JULY 11, 2007 AT 9:30 AM</p>

June 27, 2007

<p>762 Grant revocable permit to Jake's Famous Crawfish to close SW Stark St between 12th Ave and 13th Ave on August 19, 2007 (Ordinance)</p>	<p align="center">PASSED TO SECOND READING JULY 11, 2007 AT 9:30 AM</p>	
<p>763 Grant revocable permit to American Institute of Architects to close NW Flanders between 11th Ave and 12th Ave from September 6, 2007 to September 7, 2007 (Ordinance)</p>	<p align="center">PASSED TO SECOND READING JULY 11, 2007 AT 9:30 AM</p>	
<p>764 Grant revocable permit to Artist Repertory Theatre to close SW Alder St between 15th Ave and 16th Ave on September 8, 2007 (Ordinance)</p>	<p align="center">PASSED TO SECOND READING JULY 11, 2007 AT 9:30 AM</p>	
<p align="center">Commissioner Dan Saltzman</p> <p align="center">Office of Sustainable Development</p> <p>*765 Authorize an Intergovernmental Agreement with Metro for \$49,399 to purchase commercial food-waste containers using the Metro Organic Waste Composting Capital Improvement Grant (Ordinance) (Y-4)</p>		<p align="center">181075</p>
<p align="center">Commissioner Erik Sten</p> <p align="center">Bureau of Housing and Community Development</p> <p>*766 Authorize three subrecipient contracts totaling \$1,150,000 for educational and counseling services and direct financial assistance for first time homebuyers and provide for payment (Ordinance) (Y-4)</p>		<p align="center">181076</p>
<p>*767 Authorize Intergovernmental Agreement with the Housing Authority of Portland for \$1,000,000 to support the Humboldt Gardens HOPE VI project and provide for payment (Ordinance) (Y-4)</p>		<p align="center">181077</p>
<p>*768 Authorize a subrecipient contract with Native American Youth and Family Center for \$101,500 for coverage under the Risk Mitigation Pool to support housing development goals and provide for payment (Ordinance) (Y-4)</p>		<p align="center">181078</p>
<p>*769 Amend contract with Multnomah County Sheriff's Office for \$70,000 to improve discharge planning and provide for payment (Ordinance; amend Contract No. 36501) (Y-4)</p>		<p align="center">181079</p>
<p align="center">REGULAR AGENDA</p>		

June 27, 2007

Mayor Tom Potter		
770	Proclaim July 4-8, 2007 to be The Safeway Waterfront Blues Festival Week (Proclamation)	PLACED ON FILE
771	Approve re-appointment of Jeff Bachrach to the Housing Authority of Portland Board of Commissioners for a term beginning July 1, 2007 to expire July 1, 2011 (Resolution) (Y-4)	36517
Bureau of Planning		
772	Accept Historic Preservation Fund grant of \$11,800 to supplement the City historic resources program for the federal FY October 1, 2007-September 30, 2008 (Second Reading Agenda 725) (Y-4)	181087
Office of Management and Finance – Business Operations		
*773	Pay claim of Deborah Byrne (Ordinance) (Y-4)	181088
Office of Management and Finance – Purchases		
774	Accept bid of Civil Works NW, Inc. for the N Killingsworth 1B Project for \$1,117,316 (Purchasing Report - Bid No. 107278) Motion to accept the Report: Moved by Commissioner Sten and seconded by Commissioner Saltzman. (Y-4)	ACCEPTED PREPARE CONTRACT
Commissioner Sam Adams		
Office of Transportation		
775	Accept the Safe Streets Initiative: FY 2006-07 Progress Report (Report) Motion to accept the Report: Moved by Commissioner Saltzman and seconded by Commissioner Sten. (Y-4)	ACCEPTED
776	Declare intent to initiate local improvement district formation proceedings to construct improvements related to the Portland Streetcar Loop Project (Resolution; C-10025) Motion to amendment to the Exhibits: Moved by Commissioner Saltzman and seconded by Commissioner Adams. (Y-4) (Y-4)	36516 AS AMENDED

June 27, 2007

<p>*777 Authorize an Intergovernmental Agreement with the Tri-County Metropolitan Transportation District of Oregon for the City to utilize Metropolitan Transportation Improvements Program funds for the Portland Streetcar Loop Project Development Phase (Ordinance)</p> <p>Motion to accept amendment: Moved by Commissioner Saltzman and seconded by Commissioner Adams. (Y-4)</p> <p>(Y-4)</p>	<p align="center">181093 AS AMENDED</p>	
<p>*778 Authorize an agreement with Portland Streetcar, Inc. for economic impact analysis services related to the Portland Streetcar Loop Project (Ordinance)</p> <p>(Y-4)</p>	<p align="center">181094</p>	
<p>*779 Amend Intergovernmental Agreement with Metro to modify the scope of work and provide additional resources for the local match required for Metro's contribution to the Portland Streetcar Loop Project (Ordinance; amend Contract No. 52731)</p> <p>(Y-4)</p>	<p align="center">181095</p>	
<p align="center">Commissioner Dan Saltzman</p> <p align="center">Office of Cable Communications and Franchise Management</p> <p>*780 Authorize contract with Uptown Services, LLC for municipal Fiber-to-the-Premises Business Case Study (Ordinance)</p> <p>(Y-4)</p>		<p align="center">181089</p>
<p align="center">Office of Sustainable Development</p> <p>781 Consent to transfer of Argay Disposal Svc, LLC residential solid waste and recycling collection franchise to Heiberg Garbage & Recycling (Ordinance)</p>		<p align="center">PASSED TO SECOND READING JULY 11, 2007 AT 9:30 AM</p>
<p align="center">Parks and Recreation</p> <p>*782 Authorize a contract and provide for payment for the construction of Portland International Raceway track repairs and improvements (Ordinance)</p> <p>(Y-4)</p>		<p align="center">181097</p>
<p>*783 Approve agreement as amended for acquisition of a parcel of real property in east Portland for park purposes from Herbert T. Smith III (Ordinance; Contract No. 52838)</p> <p>(Y-4)</p>	<p align="center">181090</p>	
<p>*784 Approve agreement for acquisition of a parcel of real property in east Portland for park purposes from Frank and Rebecca Ramirez (Ordinance; Contract No. 52853)</p> <p>(Y-4)</p>	<p align="center">181091</p>	
<p>785 Amend contract with Jeanne Lawson Associates for \$6,600 for mediation services (Ordinance; amend Contract No. 37276)</p>	<p align="center">PASSED TO SECOND READING JULY 11, 2007 AT 9:30 AM</p>	

June 27, 2007

786 Designate five Heritage Trees and remove designation for three Heritage
Trees in the City (Second Reading Agenda 729)
(Y-4)

181092

At 11:43 a.m., Council recessed.

June 27, 2007

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 27TH DAY OF JUNE, 2007 AT 2:00 P.M.

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

Motion to elect Commissioner Adams as President of the Council: Moved by Commissioner Sten and seconded by Commissioner Saltzman. (Y-4)

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

<p>787 TIME CERTAIN: 2:00 PM - Consider the proposal of Ted Gilbert, Portland Affordable Housing Preservation Trust, and Brad Malsin, Beam Construction and Management, and the recommendation from the Hearings Officer for approval of a Comprehensive Plan Map Amendment and Zoning Map Amendment for property located at 900 NE 81st Avenue (Hearing; LU 06-186208 CP ZC)</p> <p>Motion to accept Hearings Officer's recommendation and implement the Comprehensive Plan Map Amendment and Zoning Map Amendment: Moved by Commissioner Sten and seconded by Commissioner Saltzman.</p> <p>(Y-4)</p>	<p>Disposition:</p> <p>ACCEPT HEARINGS OFFICER'S RECOMMENDATION</p>
<p>*788 Amend the Comprehensive Plan Map designations and change zoning at 900 NE 81st Avenue at the request of Ted Gilbert, for the Portland Affordable Housing Preservation Trust, and Brad Malsin, for Beam Construction and Management (Ordinance; LU 06-186208 CP ZC)</p> <p>Motion to approve the ordinance: Moved by Commissioner Saltzman and seconded by Commissioner Adams.</p> <p>(Y-4)</p>	<p>181098</p>

At 2:34 p.m., Council adjourned.

GARY BLACKMER
Auditor of the City of Portland

By Karla Moore-Love
Clerk of the Council

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

June 27, 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 program. The text has not been proofread and should not be considered a final transcript.]

JUNE 27, 2007

Potter: Each week we invite people in to testify on issues regarding youth and children, and today we have trevor tompkins. He's in the sixth grade at irvington elementary school. Trevor, could you come forward, please? He's in the talented and gifted program at irvington, and he enjoys reading, writing, playing basketball, and fishing. Good for you, trevor. Welcome this morning. Just please state your name for the record.

*****: I'm trevor tompkins. I'm a 6th grader at irvington, 11 years old, and i'm currently attending the rec and messina summer program at my school.

*****: Good.

Potter: Would you like to tell us anything else?

*****: Well, next week i'm going to be at the journalism camp where we make a school newspaper.

Potter: And how are things going at your school?

*****: Pretty good.

*****: Pretty good?

*****: Mm-hmm. It's a k-8.

Potter: And do you like being in with all the different grades?

*****: Yeah.

Potter: Good. Good. So if you were to give us any advice as adults regarding how young people and children are treated, what would you tell us?

*****: Well, they do a pretty good job of it.

Potter: Ok. If they're pretty good, there must be some room for improvement. What would you say?

*****: At my school, I think they might need to have a little more discipline.

Potter: A little more discipline, huh?

*****: Mm-hmm.

Potter: Why do you say that?

*****: Because we don't really have a whole lot of discipline, because I was here to talk about kids getting in trouble and stuff, about that. And when kids get in trouble in our school, like big kids who have anger problems and get in fights, they don't get in a whole lot of trouble. I think that kids need to be accountable for their mistakes.

Potter: Good for you. How should kids be accountable?

*****: Well, if they bother someone, they should apologize to the person, apologize to the school for the embarrassment, and do a little community service.

Potter: I think you've got it nailed down pretty good there, trevor.

*****: [laughter]

Potter: Anything else?

June 27, 2007

*******:** Well, I think that Portland public schools need to do a better job of tracking down the kids who might not have advantages -- some advantages -- as other kids might who can't read or write that -- who can't read or write that well or do math that well. Come up with some sort of tutoring or mentor program for those few kids. I was even thinking of a peer mentoring program where teachers could find, like, the talented and gifted kids who are smart and good at reading, writing, and math, and have them help the kids who aren't very good at it.

Potter: Have you ever made that suggestion at school?

*******:** No.

Potter: Why don't you do that. I think that's a great suggestion. You tell them that the Portland city council supports that.

*******:** Mm-hmm.

Potter: Did you want to say anything else, trevor?

*******:** No.

Potter: Ok. Well, you're a very mature young man for your age. How old are you?

*******:** 11.

Sten: Trevor, I went to irvington school myself. As an alumnus, you make me very proud. You're doing a great job. Mm-hmm.

Potter: Thank you very much, trevor. Let's give this young man a hand. Thank you.

*******:** [applause]

Potter: Thank you for coming in, trevor.

*******:** Mm-hmm.

Potter: City council will come to order.

*******:** [roll call]

Potter: I'd like to remind folks that, 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 731.

Moore: Please come forward.

Potter: Ok. Please read the consent agenda.

Moore: Did you want to ask for any pulls for consent?

Potter: Anybody have any pulls? I keep forgetting my job. [laughter] do we have any consent agendas or items to be pulled from the consent agenda? Anybody in this audience wish in pull any items from the consent agenda? Please call the vote.

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

Potter: Aye.

Item 732.

Saltzman: I have an amendment to offer at this time.

Potter: Ok.

Saltzman: And that is to carry over the existing special existing appropriation for the miracles club, \$450,000. This is a necessary administrative step, so i'd make that motion.

Potter: Hear a second?

Sten: Second.

Potter: Please call the vote.

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

Potter: Aye. Please proceed.

Casey Short: Thank you, mr. Mayor. Casey short, interim financial planning manager. We have a lot of business before you today, beginning with the spring bump and minor supplemental budget. As you know, this is our periodic budget adjustment we do three times a year. The bump is for

June 27, 2007

funds that decrease in total appropriation or don't change their total and the minor supplemental budget is for funds increasing less than 10% in total appropriation. Council has received the financial planning review and analysis of all the requests a couple of weeks ago, and there isn't really much of great policy impact in the spring bump. There are just a couple things I'd like to highlight. One is that we have slightly oversubscribed the compensation set aside. It's 4.5 \$6 million in the budget, and there were requests for 4.8 million. The additional 2 \$40,000 is coming out of contingencies. The largest contributors to this are police and fire with 2 and 2.45 million in requests respectively. Fire, as you know, is largely attributable to the unusually high number of retirements this year, which we project is going to continue as baby boomers, people of an age like mine, start to retire. There are \$6.5 million in had carry-overs and one significant item, a draw on contingency, is for \$1.5 million to the business license surcharge fund in order for them to have enough money to be able to pay the schools as agreed to by the city council by the end of the fiscal year. Those will be repaid when they come in, but it does take a couple years for all the money to come in. With that, I'm trying to keep it brief, so if there are any questions, I'd be happy to entertain those.

Potter: Next question comes from the commissioners?

Saltzman: So this contingency, this is the 2006?

Saltzman: This is the current year, 2006/07, that has three days in it, yes. We're ending the year with just around \$1 million of contingency, a little under.

Potter: Other questions? Thanks, Casey. Did we have any sign-ups?

Moore: No one signed up.

Potter: Emergency vote.

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

Potter: Aye. Please read item 733.

Item 733.

Casey Jones: Casey Jones, financial planning. I'm the major supplemental budget coordinator. These are actions that were requested in the spring bump that trigger the legal requirements. The spring major supplemental budget totals about \$7.5 million for an increase in appropriations in five funds. The Portland international raceway fund, managed by the parks bureau, the gas tax bond redemption fund, managed by pdot, the environmental remediation fund managed by b.e.s., and the convention and tourism fund and macadam urban renewal fund, both managed by omf. All are technical in nature, so I hadn't planned to go through all of those actions, but I'm happy to do that if you would like.

Potter: Next question comes from the commissioners? Thank you. Is there anybody signed up to testify on this?

Moore: No one signed up.

Potter: Please call the vote.

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

Potter: Aye. Please read the 9:45 time certain.

Item 734.

Potter: This hearing is being held by the city council of Portland, Oregon, in compliance with the provisions of o.r.s. 221.770. It is to allow citizens to comment on the proposed use of these funds in conjunction with annual budget process. As proposed for council adoption of fiscal year 2007/08 budget anticipating receipts totals \$4,328,287 from state revenue sharing under o.r.s. 221.770. As has been the case in prior years, it is proposed this revenue be allocated to support fire prevention and police patrol services. Is there anyone here who wishes to be heard on this subject? We're now closing the hearing on proposed use of the state revenue shared -- state shared revenue. Please call the vote.

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

June 27, 2007

Potter: Aye. Please read item 735.

Item 735.

Potter: Any discussion on this from the council members? Does anybody wish to testify on this item? Please call the vote.

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

Potter: Aye. Please read item 736.

Item 736.

Potter: Any council discussion? Anyone wish to testify on this item? Was there a sign-up sheet?

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

Potter: Does anybody here wish to testify on this matter? Please call the vote.

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

Potter: Aye. Please read item 737.

Item 737.

Potter: Any discussion? Does anyone wish to testify on this matter? Please call the vote.

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

Potter: Aye. Financial planning will present a summary of the changes to the approved budget described in the change memo and reflected in this ordinance.

*****: The item has to be read first. 738.

Potter: Yes. Go ahead.

Item 738.

Casey Short: Casey short, financial planning again. I will call your attention to the items in your packet. Attached to this ordinance, which adopts the budget for next fiscal year of just over \$3 billion. I'll call your attention specifically to attachment b, which is programmatic changes that have been requested since the budget was approved in the middle of may. And there are a few items in attachment c, technical adjustments, that I'd like to highlight and then a couple changes in budget notes. Of course I'll be available to answer any questions or provide more information. On the programmatic changes in attachment b, we'll start with bureau of emergency communications. The budget is being increased by \$459,000 to cover higher labor costs associated with an amended union agreement. There was \$336,000 set aside for this purpose in the approved budget this is moving that money from contingency. Of course the other jurisdictions bear a portion of the cost for operating the bureau of emergency communications. This will be the city's share. The net increase that will come out of contingency is \$32,000 general fund. The next item, o.m.f. Facilities, adjustment to the city archives project, an increase in the latest estimate of what that project will cost, the amount of \$1.3 million to bring the total now to \$11.7 million. This is still an estimate. O.m.f. Will be coming to the council sometime in July with an updated estimate and an intergovernmental agreement with Portland state to finalize this project. The amount increases -- this amendment increases the amount required for debt service next year by \$76,000 which will come out of general fund contingency. The next six items don't use general fund resources. In addition to parking facilities from their contingency of \$50,000 to fund the marketing of a parking validation system, the revenue bureau, except \$27,000 and appropriated for business week kits for new businesses in the city, spectator facilities, \$100,000 from contingency for concourse and restroom repair at memorial coliseum. Technology services continue funding of two limited-term positions, funding from the police bureau that is in a separate item. Office of transportation changing a part-time to a full-time position. Costs will be covered within their fund. And restoring another position. Again, the cost will be absorbed within the existing appropriation. Last few items, parks and recreation, the approved budget contained funds in contingency pending updated estimates of park c.i.p. projects. Parks did submit those in a timely manner, and o.m.f. is recommending -- and it's included in the change memo -- that 2.6 million out of the 2.9 million total be transferred from contingency to the parks capital and construction fund to work on those projects

June 27, 2007

next year. There is one item, the oaks bottom restoration project, that we're recommending the \$325,000 for that stay and contingency pending receipt of grant funds that we're expecting to get. The next item is the last piece of the amount that was set aside for parks capital, and that's \$70,000 to help them in supporting estimating and scoping services for c.i.p. Projects. Another item in parks is a transfer from the levy to the capital construction and maintenance fund of \$188,000 to fund development of the a playground at dickinson park. Next item, police bureau increase interagency with technology services to fund those two positions I mentioned earlier in the bts. And finally, in special appropriations, there's a request to add \$100,000 in a special appropriation to support a citywide market study for the Portland farmer's market. This will be funded by reducing the amount that's in contingency for support of park block five, and that extra \$100,000 reduced from that will be covered by p.d.c. Those are the programmatic changes. If there are no questions on those, i'd like to highlight briefly a couple of items in the technical adjustments. The first few -- three -- are making the actions to close the two funds that you already agreed to close. There is an increase in cash flow requirements for the fire and police disability and retirement fund. We will be increasing the amount of tax anticipation notes that will be issued next year. So an additional appropriation of 3.8 million in fpd&r is being made in the adopted budget. General fund contingency, this time of year, it always gets a little confusing with money coming in and money going out. Carry-overs from the spring bump that you just approved and the net is an increase of \$1.8 million to contingency. Much of that is reserved for specific items, including the carry-overs? The one significant change here is that there was an error in recording funds from bhcd for general fund indirect costs, and that is adding \$235,000. Where that leaves us with contingency this year is two and a quarter million dollars short, and the council agreed in a budget note that I will discuss briefly in a minute that you would restore up to \$1.8 million in the fall bump if funds were available. Let me just check and see what else might be significant. In the general fund, office of sustainable development, the \$600,000 within contingency in the approved budget is moving to appropriation. That's the sustainable industries clean energy initiative. In pdot, we're reducing the appropriation from 1.5 million to \$750,000 for field bridge ramp strengthening because tri-met is going to do some of the work itself. Police is receiving and recognizing an extra 5 \$2000 in grants. And in special appropriations in bhcd, the voluntary substance abuse treatment, which is part of the jail bed special appropriation, \$380,000 is moved from the special appropriation directly into bhcd, which will administer the program. There are also a number of general fund carry-overs listed on the last page of technical adjustments in attachment c. I won't go through those in any detail but will be happy to answer any questions. The next attach. Is just the appropriations schedule, attachment d. And finally, in attachment e, changes to budget notes, there are two in parks, the reduction for park block five that I discussed earlier, the \$325,000 for oaks bottom restoration. I also discussed earlier. And there was one in housing community development regarding a salary study for transition projects that is being -- that work has been done. And the office of sustainable development, the funds for the sustainable industries initiative are removed from contingency and sent to the bureau, so the budget note speaking to the contingency part of that is being deleted. That's what i've got as changes from the approved budget.

Potter: I'd like to entertain a motion to adopt the budget as amended in attachments b, c, d, and e to the june 14th memo, adoption of the fy 2007/2008 budget for the city of Portland. Any discussion?

Saltzman: I need to make a technical amendment first. And that is in motion --

Nancy Hartline: Don't we first need a motion to?

Adams: So moved.

Saltzman: Ok. Thanks. Now i'd like to move that we include.

Short: And a second. I'm sorry, commissioner.

Adams: Second.

June 27, 2007

Short: Thank you.

Saltzman: It's to basically include a special appropriations account for the miracle club. The \$450,000 that we're carrying over has not yet been used to purchase property. We do anticipate using these funds before the end of the fiscal year. That's my motion.

Potter: Do I hear a second?

Adams: Second.

Potter: Call the vote.

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

Potter: Aye. Does anyone here wish to testify on this matter?

Moore: No one signed up.

Potter: Please call the vote.

Adams: Aye.

Saltzman: Well, I want to thank the mayor's office and all the staff from financial planning and o.m.f. for a very successful process. I want to especially thank our five citizen members who once again stepped up to the plate and used their substantial expertise at their gathering from the last year. It was a good process, and I think it's a good budget. I thank all of us. Aye.

Sten: Aye.

Potter: I also want to thank ken rust, the folks at o.m.f., who have just done a superb job as usual. Really appreciate it. And also to those five citizens who stepped in and to my fellow council members in coming up with a budget that I think reflects the priorities of our community. Aye. We're on to 740? 739.

Item 739.

Potter: Any discussion? Do we have a sign-up sheet?

Moore: I did not have anyone for this.

Potter: Is there anyone here who wishes to testify on this matter? Please call the vote.

Adams: I want to thank staff for all your hard work, folks, and o.m.f. And the mayor's office and my bureau. A lot of work this year, especially on the issue of transportation. A lot more work to do in that area. I also want to thank my colleagues for considering the packaging put forth within my portfolio and the mayor for his leadership on this. It's been my 15th budget process. So lucky 15. Aye.

Saltzman: Aye.

Sten: Thank you everyone. It's a terrific budget, and I think it hits the right priorities for the city. Aye.

Potter: Aye. Please read item 740.

Item 740.

Potter: Any discussion from council? Does anyone here wish to testify on this matter? Please call the vote.

Adams: This does continue to move the Portland office of transportation towards -- increasingly towards the use of biodiesel. They were one of the early adopters, and they're continuing to supplement the fleet with even more biodiesel vehicles as replacements are needed. Aye.

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

Potter: Aye. Thank you, folks. Now you can take the summer off.

*****: [laughter]

Adams: Wait. I have an amendment.

Saltzman: Motion to reconsider. Yes.

*****: [laughter]

Adams: I'm teasing. I'm teasing.

Potter: There's a 10:45 time certain. We're going to hold off on that and go to the regular agenda. Please read the first item on the regular agenda item 770.

June 27, 2007

Item 770.

Moore: They may not be here yet. We didn't expect this to happen this early.

Potter: Read item 771.

Item 771.

Moore: They may not be here either. We didn't expect to be done.

Potter: Ok. Let's just move right down the line. Item 772 is a second reading vote only. I think we can do that one.

Item 772.

Potter: Second reading vote only.

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

Potter: Aye. Is o.m.f. here for the item 773, the business operations? Ok. Please come forward.

Potter: Yes.

Item 773.

Becky Chiao: Good morning. My name is becky chiao. I'm here from risk management. We're asking that you approve a settlement in the amount of \$50,000 to debra byrne, who made a claim for personal injury and pain and suffering after an incident in a swimming pool. She was in a water aerobics class. The city attorney -- this was pending trial. The city attorney negotiated a settlement. Probably a little less than half than what she was asking for prior to trial. And risk management agrees that it's a reasonable settlement, sort after compromise between the two positions.

Potter: Questions?

Adams: So one of our water aerobics instructors grabbed her shoulder that had a previous injury.

Chiao: Yes.

Adams: And we're going to pay \$50,000 for that? I'm a little nervous by your description of it. It's sort of halfway in between.

Chiao: Right. Ms. Byrne did have a previous injury. Pretty much legally that doesn't matter to us if we aggravate it. And here's the city attorney, david landrow, too. She had about \$20,000, a little more -- \$25,000 worth of medical bills over the year since the injury, since her incident in the water, and a doctor who says that the incident in the class contributed to her need for surgery. A payment of an equal amount to her medical bills for pain and suffering is a pretty reasonable settlement in terms of how those personal injury cases go. The instructor was a part-time employee who doesn't work for the city anymore. She, we don't believe, intended to harm ms. Byrne, but she was visually impaired and she was trying to help her do the water aerobic movements. There was no intention to harm, but we don't necessarily deny that the incident occurred and that it resulted in injury.

Adams: Hence your city council agenda item, but why \$50,000?

Chiao: Like I said, if we --

Adams: \$20,000 for medical costs and \$30,000 for pain and suffering? Is that what it is?

*****: No. If I may --

*****: Please state your name for the record.

David Landrum: My name's david landrum. I'm a deputy city attorney. I was assigned to this case. The economic damages that were alleged were actually a little over \$26,000. A pretty even split between the two. It's a common law claim, so there were no attorney's fees attached to it. It frankly was not clear to me how much our instructor's contact with ms. Byrne had contributed to her injury, but when I say that, I mean that in a literal sense. I didn't have -- I wasn't able to obtain good medical evidence to prove that it didn't contribute at all, and the treatment contained in the medical records was both conservative and appeared to be legitimate. And then the amount of noneconomic damages that we arrived at was just a matter of negotiation with the plaintiff's counsel.

June 27, 2007

Adams: So the noneconomic damages are pain and suffering?

Landrum: That's correct.

Adams: Do you think that this is cheaper than going to court?

Landrum: Well, to the extent that, when you settle any litigation, part of what you're buying by settling is you are buying the risk. In other words, you make a sort of a cost benefit analysis of what the chances are that you could get a jury verdict that's higher than the amount that you have reached in negotiation with the other side. And based on the case I had to put on, I thought that was a worthwhile risk to purchase.

Adams: I didn't hear that last part.

Landrum: I said based on the case I had to put on, I felt like that was a worthwhile risk to purchase.

Chiao: Plaintiff, it's not unusual for plaintiffs to ask for 10 times their medical costs and pain and suffering.

Landrum: Certainly the plaintiff was asking for significantly more money than we arrived at in negotiations.

Adams: Thank you.

Potter: Other questions? Do we have a sign-up sheet on this at all?

Moore: I did not.

Potter: Anybody here wish to testify on this matter? Please call the vote.

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

Potter: Aye. Thank you. Read item 774.

Item 774.

Jeff Baer: Good morning. I'm jeff baer with the bureau of purchases. Before you is a request to authorize a contract for the north killingsworth 1b project on behalf of the Portland department of transportation in the amount of \$1,117,315.50 with civil works northwest incorporated. They are in compliance with our equal benefit program and are currently e.e.o. Certified, and they do have 5.8% of the subcontract dollars assigned to minority women and emerging small businesses, which obviously that's a low amount, and we will continue to work with them. I think they've shown historically in past projects where they are certainly looking at other opportunities to increase that amount. I'll stop and address any questions.

Potter: Any questions? Anybody signed up to testify in this matter?

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

Potter: Anybody here who wishes to testify on this matter? This is a report. We need a motion to accept.

Sten: So moved.

Saltzman: Seconded.

Potter: Please call the vote.

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

Potter: Aye. Please read item 775.

Item 775.

Potter: Commissioner Adams?

Adams: My staff isn't here, but I think we can do this without them. Included in your background materials are the progress report on the safe streets initiative. Safe streets are my number one priority as transportation commissioner, and the projects included in 06/07 safe streets initiatives include improvements to vehicle, bicycle, pedestrian safety projects, safe routes to schools, traffic signal, school beacon, crosswalk, red light cameras, speed reader boards, and bicycle promotions, collector maintenance, and neighborhood pothole program. You can see from the detailed report provided, including the map in your background information, that we are on track and on budget with our commitments to the council to implement these projects as soon as possible.

June 27, 2007

Potter: Do we have a sign-up sheet on this?

Moore: I did. No one signed up.

Potter: Is there anyone here who wishes to testify on this matter? It's a report. We need a motion to accept.

Saltzman: So moved.

Sten: Seconded.

Potter: It's been seconded. Please call the vote.

Adams: Aye.

Saltzman: It's a good report, commissioner Adams. I appreciate you keeping us updated on this. It's very important stuff. Aye.

Sten: I agree. Good work. Aye.

Potter: And, to me, it's all about traffic safety. We have some of our leading issues here in the city as far as ensuring safe transportation routes and safe pedestrians so thank you very much, commissioner Adams, for your leadership on this. I vote aye. Please read item 776.

Adams: If we could wait on that one and come back?

Potter: What about item 777?

Adams: We can do the rest.

Potter: Please read item 777.

Item 777.

Potter: Commissioner Adams?

Adams: I'm sorry. I apologize. We need to wait for -- they're all related. So if we could wait for that chunk for the streetcar people to arrive?

Potter: Ok. So item 76 through 779?

Adams: Correct. Commissioner Saltzman, are you prepared to do item 780?

Saltzman: Yes.

Potter: Please read item 780.

Item 780.

Potter: Commissioner Saltzman?

Saltzman: I'll turn it over to mary beth henry.

Mary Beth Henry: Hi. Cable and franchise management, mary beth henry. I'm very pleased today to bring to you a contract with uptown services. You may recall that the city council had two informals to discuss the importance of fiber in advanced communications systems in the city of Portland. The council informal lie agreed at the last informal to proceed with a business case study, and monies were allocated in the fall bump for this purpose. It's an interbureau effort, including Portland development commission, the information technology office, the office of management, finance and management, and the cable office. We also, on the evaluative team, issued an r.r.p., and on our evaluation team, we were lucky to have rich bader from easy street and then a gentleman, frank kazaza who has actually built and operated fiber-optic systems in sacramento. The contract amount is \$150,000, and we are -- we've asked the consultant to have this business case study ready in october. So it's a very short time line, but we think it's quite important. You may have, in reading the papers, been aware that Portland is the hole in the middle of a donut of fiber going in in our region. Verizon is installing fiber to the home throughout and actually launching service in Washington county and to our east in east Multnomah county cities. And we think it's very important that we look at -- do a business case study, look at the feasibility, because we're surrounded by fiber to the home. And it's important for Portland's economic future that we look at any possible option of going that route. I'd be happy to answer any questions that you have.

Saltzman: I also have my chief of staff, brendan fenn, who's been a very strong proponent of this.

Brendan Finn: Quickly, yeah, as mary beth mentioned, we are the donut -- the hole in the donut. Many err cities are starting to look at -- especially san francisco and seattle. We're consulting with

June 27, 2007

them. They're heading down a similar path, seeing how this infrastructure can benefit our businesses. If we don't have access to this infrastructure and it's not going to be built, how can we assist in having it built. Looking at similar setups as we did our wi-fi municipal broadband system. So it's kind of key to an economic development effort to see small businesses that are -- you know -- we are a per capita leader and could benefit. This study will basically plot out for us what different levels of involvement we should have as a government and what we can leverage from the private sector. So we're very much looking forward to the results of this and bringing them back to council to evaluate the feasibility of this further. Thanks.

Potter: Next question comes from the commissioners? Did anybody sign up to testify on this matter?

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

Potter: Anybody here who wishes to testify to this matter? Please call the vote.

Adams: Aye.

Saltzman: Well, this is good work, and we look forward to a good case study for what -- how we can get fiber to the premises and what role city government may or may not play in that effort. But it is something I think that's critical to the economic vitality of Portland, and we need to assess it in an honest manner. This firm, uptown services, won our fee to do that. Aye.

Sten: I want to thank commissioner Saltzman's office for working on this. I look forward to seeing the next steps and want to help. Aye.

Potter: I appreciate the cable office keeping an eye on these things to remind us from time to time what we need to do to stay competitive. I appreciate that. Aye. Please read item 781.

Item 781.

Potter: Commissioner Saltzman?

Saltzman: This is simply the transfer of one residential franchise -- yeah. A transfer of a residential franchise to another hauling company in Portland.

Potter: Anybody signed up to testify?

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

Potter: Anybody here wish to testify to the matter? It's a nonemergency and moves to a second reading. Please read item 782.

Saltzman: Actually, could we have 782 occur after the airport i.g.a.?

Potter: Ok.

Saltzman: I think the people that were going to be here were kind of keying off that time. We can go with the next one.

Potter: 783. Ok. Please read item 783.

Item 783.

Potter: Commissioner Saltzman.

Saltzman: This is always good news when we're purchasing more land for parks. This is out on southeast 136th avenue.

Potter: Questions? Anybody here who wishes to testify on this matter? Please call the vote.

Adams: Great news for east Portland. Thanks, commissioner Saltzman. Aye.

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

Potter: Aye. Please read item 784.

Item 784.

Saltzman: This is using parks system development charges to purchase more real property and again from a willing seller, and this is out on southeast holgate boulevard. Outer southeast holgate.

Potter: Anybody here who wishes to testify on this matter? Please call the vote.

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

Potter: Aye. Please read item 785.

June 27, 2007

Item 785.

Potter: Mr. Saltzman?

Saltzman: Thank you, mayor. This contract extension represents the agreement between Portland parks and recreation and the mount taylor neighbors during their recent mediation sessions over the property use for the parks maintenance yard and nursery on the south face of mount tabor. It was agreed by both parties in mediation to update the mount tabor master plan and include this property.

They want to develop jointly, utilizing b.i.p. number nine, a public involvement process for the master plan update. The community participants unanimously expressed a desire to have jean lawson associates continue this work. In september, I expect the neighborhood association and the parks bureau to report back to council on the progress to date and next steps in this important work, including the eventual redevelopment of the maintenance yard and nursery.

Potter: Anybody here who wishes to testify on this matter? It's a nonemergency and moves to a second reading. Please read item 786.

Item 786.

Potter: Second reading vote only. Please call the vote.

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

Potter: Aye. Are there folks here for any of the ones that we skipped over that are here to testify? Still waiting on yours, commissioner Adams?

Adams: Well, I guess we can proceed with mine. 776.

Potter: Please read item 776.

Item 776, 777, 778 and 779.

Adams: Just in time.

*****: I am so sorry.

Potter: We're ahead of schedule.

*****: Also unusual. Hang on.

*****: [laughter]

Adams: But doesn't the council -- don't our ties and 1509s look good today?

*****: Absolutely.

Adams: Aren't we a smart-looking group of people?

Potter: At least we're all wearing them.

Adams: He looks at me.

Vicky Diede: I'm vicki diede with the office of transportation, and i'm the city project manager for Portland streetcar. Excuse me.

Adams: And if we could, with the mayor's permission and council's permission, if we could just sort of have a presentation on all four?

Diede: I would be happy to do that.

Potter: Would you read all four into the record, please?

Moore: Clerk: [reading agenda items]

Diede: Item 776, the resolution of intent to form the local improvement district for the Portland streetcar loop project, this will start the proceedings to form the local improvement district for this particular project. We will be raising about \$15 million out of the total capital costs from the local improvement district. I have an amendment to offer to this resolution and, if you read it, it looks mumbo jumbo-y, but it actually helps to clarify some situations, one of them being that it gives more explicit information on whats if a shorter condominium operable segment is constructed, and then it also is more explicit as to how the real market values are adjusted. There are several exemptions in this particular l.i.d. One of them is for owner-occupied residences for properties within r 1 and r 2. These are very, very small lots, about 1100 to 1300 square feet up in the elliott neighborhood. There's just no opportunity for us to have an impact on the value of that property. In addition to that, the other exemptions are for public rights of way, and this is specifically put into

June 27, 2007

the resolution to deal with some issues with odot. They have some parcels that have tax lots that are real operating right-of-way. They just haven't got that squared away, so we're exempting the right-of-way pieces. And then we exempt railroad and federal properties basically because you could assess but they never pay you. So the basics of it are, with other l.i.d.'s that we've done, the boundaries split the properties into zone a and zone b, zone a being closer to the streetcar and having a higher rate. In addition to that, we have properties that are in a zone designated as the industrial sanctuary in the Portland's comp plan. They will have a one-third reduction on the l.i.d. assessment. And then properties primarily in residential use will have a 50% reduction in the rates.

The Portland streetcar, inc. And the board and Hank Ashforth and others have been very instrumental in talking to property owners in the district, and we feel quite confident. At the time we have the confirmation hearings, we'll have sufficient and good support. 777, this is an i.g.a. with tri-met for the disbursement of \$1.65 million in federal funds coming from cmac, which is congestion management air quality funds. What this will do is allow us to continue with the project development phase for the Portland streetcar loop project, which is really the primary engineering phase. The reason we do it with tri-met is because we're not an eligible agency to receive federal funds from f.t.a. Item 778 is a contract with Portland streetcar, inc. for economic impact analysis services, and this is the last of the contracts for the loop project funded with the different i.g.a. that we have with metro for additional federal funds. P.s.i. will contract with e.d. Holby and company. They were the successful responder to the city's r.f.p. and then 779 is an amendment to that i.g.a. with metro that I referenced. And what it does is it modifies the scope to include work and to pay for the services of tri-met's work on the project development application and their subsequent services. And plus it provides some additional resources to cover the match piece for metro money of their own that they'll put into the project and that we do give up for, and then we would do the match. The match is coming from Portland development commission through our interagency agreement with them. And additionally this amendment adjusts the funds available in the year to year appropriation for the loop project so that resources can be provided for the streetcar system plans. And I would be happy to answer any questions. That was really quick.

Adams: We appreciate that.

*****: [laughter]

Saltzman: So I guess this l.i.d. is designed to raise 10% of the estimated cost at this point.

Diede: Yes.

Saltzman: How is that 10% -- how does that compare to the west side? What are the other elements of the total funding?

Diede: The rest of the total funding package -- hang on a half sec just so I don't miss any here. The balance of the capital funding on this will come from the small starts funds from the federal transit administration in about 75 million-dollar amount. Tax increment financing from the Portland development commission. We're working with them and with Sam's office and others to pull that together. The state of Oregon --

Saltzman: What is the estimated?

Diede: 31 million from s.d.c.'s.

Adams: No. From p.d.c.

Diede: Yes. I'm sorry. From tif money from p.d.c. The state of Oregon, in fact they just, over the last couple of days, passed house bill -- I can't remember the number right now, but it allocates \$20 million for the acquisition of streetcar vehicles for the loop project, so that piece is together. Systems development charges and then other city resources kind of fill out the balance. So all that added up is about 152 million dollars when you inflate it out to the year of expenditure.

Saltzman: And then how does that l.i.d. amount compare to the west side l.i.d.?

Diede: The west side l.i.d.'s, if you take them all together, we raised about 20% of the capital costs. And the east side is just different from the west side. You've got to look at carrying capacity and

June 27, 2007

property values compared to other parts of the city. When we first started out on this, we were seeking just \$10 million from an l.i.d. But as we got further into the project, we recognized that there would be additional resources required. So Portland streetcar, inc. and hank ashforth and michael powell went back to said it's going to be higher. That is now the \$15 million.

Potter: The small starts, how much was that again?

Diede: About 75 million.

Potter: Has that been earmarked or where is it at?

Diede: Right now we're in the project development phase, which kind of equates to the preliminary engineering phase for like a light rail project at new starts. Once we complete that, we will make a construction grant application. So it's a competitive granting from the federal transit administration.

Adams: We received the top rating. We received the green light from the -- the provisional green light from the transit administration.

Diede: Absolutely. Absolutely. And -- you know -- congressional help doesn't hurt even if it is a competitive grant.

Adams: Vicki, I want to thank you. It's always difficult putting together funding packages for these kinds of projects, and the fact that you've worked on the other segments of the streetcar and just your commitment to the project has been invaluable, and I just want to thank you.

Diede: You're welcome.

*******:** More work to do, but great work so far.

Diede: Thank you.

Potter: Was anybody signed up to testify on this?

Moore: No one signed up.

Potter: Is anyone here who wishes to testify to this matter? Please call the vote.

Harry Auerbach: You need a motion to amend on 776.

Diede: Actually, there's one other one. Sorry. I forgot to mention this. This is agenda item 777, the i.g.a. with tri-met. The amendment is to take the amendment in the exhibits which you have, and just recycle it, and there's a new amendment that's attached to the amendment request. This was caused by the fact that tri-met decided they wanted to do the i.g.a. in this particular format, and it just took them a long time to get the information to us. So my apologies.

Adams: Is that amendment on this?

Auerbach: It's on 777. But you need one on 776 for this memo.

Saltzman: I'll move the amendment on 776.

Adams: Seconded.

Potter: Call the vote.

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

Potter: Aye. 776 please call the vote.

Adams: Aye.

Saltzman: Good work, vicki, and also good work to the Portland streetcar loop committee or business committee that has worked with the businesses over there to bring them onboard for this important project. Aye.

Sten: Good job, commissioner Adams and vicki, and forward movement. Aye.

Potter: Aye.

Auerbach: Now a motion to amend 777.

Adams: Do we have that in writing?

Moore: I just handed it out.

Saltzman: I'll move the amendment.

Adams: Got it.

Potter: Hear a second?

June 27, 2007

Adams: A second. Sorry. I'm distracted by the --

Potter: Please call the vote.

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

Potter: Aye. Please read item 778.

Auerbach: Now you want to vote on it as amended.

Potter: Excuse me. You're right. Please call the vote on the --

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

Potter: Aye. Please read 778.

Item 778.

Potter: Commissioner Adams?

Adams: We had the presentation on all of these, so you can just vote on them.

Potter: I do have some questions on some.

Adams: Which one?

Potter: 778. Will you be able to answer them? It has to do with the economic impact analysis.

Adams: Why don't you try me out. If not, we'll bring up somebody else.

Potter: And then i've expressed this concern before to you, commissioner, the concern about fareless square and its impact on the amount of subsidies that we pay for the streetcar.

Adams: Mm-hmm.

Potter: And that I want to have some assurance that there is going to be some enforcement of the fareless square -- not the fareless square but once the streetcar leaves fareless square that they will enforce that, because I think that bears directly on the fact that I think the subsidy this year was, like, 1.6 million just for the west side.

Adams: Right.

Potter: And this is a much larger one, and I just want to make sure that we are doing that. And then, secondly, are there other issues in terms of how the streetcar is going to be run on the east side that would go towards reducing the amount of subsidy that the city would provide?

Adams: We -- the issues before us today all have to do with the capital side of bringing this streetcar to fruition. We're in the process right now -- we have our regular meeting tomorrow to talk about operations, and those two topics will be part of our discussion on operations. And you have my assurance that fair enforcement the, now that we will have -- I think we will be more than doubling the amount of trackage outside of fareless square, that the enforcement will be a key part of what we discuss, and we'll bring back to you a plan for consideration.

Potter: Thank you. Other questions? Please call the vote.

Adams: Aye.

Saltzman: I just want to say, at an earlier motion, I thanked the business people on the east side for their putting together this l.i.d. proposal I appreciate the work you did. Aye.

Sten: I agree. Aye.

Potter: Aye. Please read item 779.

Item 779.

Potter: Discussion? Is anybody signed up to testify on this one?

Moore: We had one set out for all the streetcar items.

Potter: Anybody here wish to testify on this matter? Please call the vote.

Adams: Well, I want to thank rick gustafson, who's in and out of the door there, for his continuing hard work. I already acknowledged vicki. I want to thank greg jones and pdot for all of the unglamorous work of trying to crunch and make all the numbers work, working with vicki. Hank, you've been thanked in absentia. I want to add to that. This has been heavy lifting. This has been a lot of work. And you have a national company to run, and i'm just very grateful. I know the entire council is grateful for your focus on it. I know we wouldn't have done it without you. Aye.

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

June 27, 2007

Potter: Aye. Thank you, folks.

Adams: That's the shortest presentation you've ever had to give, hank, isn't it?

*******:** [laughter]

Potter: Is everybody here for the 10:45? Can we begin five minutes earlier if everybody is here?

Auerbach: If you suspend the rules.

Potter: Pardon?

Moore: You'd have to suspend the rules.

Saltzman: I'll move to suspend the rules.

Potter: Second? Call the vote.

Moore: You'll need four people to do that.

Auerbach: He's in the back of the room.

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

Potter: Aye.

Item 741.

Potter: This item is back before council after the June 6th hearing in which council made amendments on June 13th. Council was asked to postpone our final vote to allow the port commission additional time to review and respond to the council's actions. I understand the port is prepared today to share their response to council's changes, and so I am bringing forth for the purposes of discussing the port's proposed amendment.

Saltzman: So you're moving?

Potter: I'm moving.

Adams: I have an amendment. Is it too early to do that?

Sten: Do you want to describe what you're moving?

Potter: That this be brought back before council for additional discussion with the port and vote. And actually --

Sten: Is it substantive? Are you actually moving a substantive change to what we passed last time?

Adams: You're adding three governmental representatives from the three governments?

Potter: Yes.

Adams: Three county governments?

Saltzman: Clackamas, Washington, and Multnomah.

Sten: I think it would be useful to describe what the council is moving.

Adams: There is someone here that can do that in more detail?

Saltzman: Why don't we have it moved and then seconded, and then we can have it up for discussion. I think that's what the intent was, to bring it forth.

Adams: Second.

Potter: Call the vote.

Saltzman: Maybe we should have testimony first.

Potter: Should we have testimony first?

Saltzman: And then we can have the explanation.

Adams: And if I could offer a simple amendment -- and if this is not the right time, then this consider this food for thought that to change the documents so that, if there are any vacancies that they are filled in accordance with the original procedure we used to establish the committee. And my understanding is all sides agree to that. If there is such a thing as a friendly amendment, I would hope that could be one.

Saltzman: I'll second it. And I'll turn the gavel back over to you for testimony.

Potter: Could the port officials please come forward?

Bill Wyatt: I'm Bill Wyatt, executive director of the port of Portland. 121 Northwest Everett Street is our address here in Portland. For now at least. I guess I just want to, a, provide my support for the alternative that you've introduced along with Commissioner Adams' proposed amendment which

June 27, 2007

we don't have any concerns about. I think that's very appropriate. Just a couple of brief comments. First we're anxious to get on with this process. I think it's safe to say that this is probably the most important piece of physical infrastructure in our region. Its future is of great concern to, I think, most people in our region. Certainly tremendous concern to us. We're charged with the responsibility of owning and operating it. You are charged with the responsibility of making the various land use and zoning changes that are also required to successfully operate the airport. And I might say there won't be significant changes without that. And so this isn't -- should you approve this amendment today, this isn't a goodbye to the process. This is hello. Because you'll be living with this for the next several years as well. And at the end of the process, you all certainly will be asked to make some kind of approval. I think it's a bit early yet to prejudge that. This is an unusual process to be sure, because we're trying to combine two very different things about one. And I think you have experienced the tension, as we have, of attempting to do that. On the one hand, obviously we have neighbors the airport affects in a variety of ways. They have expressed their concerns. And I think obviously it drives their considerable interest in participating in this process. We are charged by law, both state and federal, with our responsibilities of ownership basically and participating in the maintenance and development of a piece of infrastructure that has national significance. It's part of the national air transportation system and obviously plays an enormous role in the regional economy. We think that the advisory group that has been attached to the i.g.a. now fairly represents the broad range of interests that are concerned about the future of the airport. We can continue to debate that for some time or we can move on with the process, which is certainly what we would commend to you. I know that an awful lot of the angst around this has to do with the third runway, and let me just say we have no expectation that we will be coming to you with a proposal to build a third runway maybe in your lifetime, although I suppose that is --

Adams: I intend to live a long time.

Wyatt: As I look up here, that may vary one to the other. But it's a long ways out into the future. And so, while it is, in some respects, the 800-pound elephant in the room, I would also say I don't think -- and I am quite confident that that is not something we're going to come back to you proposing if for no other reason than the air transportation system that serves Portland is in no position to pay for the development of a third runway today, given the extensive capacity that exists with our existing infrastructure. So I guess I would just commend to you these amendments as proposed and ask for your support, and i'm certainly willing to answer any questions that you may have at this time.

Sten: I think it would be helpful at some point for somebody to describe what you're proposing before we vote it.

Potter: We do have exhibit a-2. Has that been passed to the rest of the commission?

Moore: They went out yesterday in the tuesday memo.

Potter: Exhibit a-2 dated june 25th.

Saltzman: I've got it.

Potter: It has the planning group and what it does. In addition to the changes we had on it, it adds representation from clackamas, Multnomah, and Washington county, and those positions -- those three positions -- would be nominated by the chair of each board of commissioners. Do you have a 2?

Sten: I do. I'm very familiar with it. This was a robust public debate for months. The council had a robust public debate that led to lots of calls from the port and activists to me, and i'm just pushes, if we're going to change what was proposed and change back, to explain what it is and why.

Wyatt: Ok. Well, you know, we did have a conversation, and I just want to be clear this exhibit a-2, I think, to the proposed i.g.a. Is a reflection of the changes. Now, I have a version that you may or may not have. It's color-coded with all the changes on here. And, commissioner, you had asked me about this question of balance versus size, and I apologize now for not having been here at the

June 27, 2007

last hearing, but I think both are important, to be candid. The advisory group, before you saw anything, was the result of a considerable dialogue that occurred by all of the parties in advance of the city council debate, including a fairly extensive process for selecting a chair and the other members. And so to suggest that someone's notion of balance wasn't important here is probably not appropriate, because balance is very, very important. Size, I suppose, is in the eye of the beholder in terms of what's too big and what works. This feels big to me, but I have a great deal of confidence. And bill blossom, who has both been the director and the chair of the land conservation development commission and the dlcd, I think he's very capable. It will be a facilitated process. And so perhaps -- you know -- we can stand a group that is larger than might be optimal. As to the addition of the representatives of the three counties, I would say there was a time earlier in the process when that discussion was made, but frankly it was abandoned in the interests of maintaining some constraints on size. Our own commission is appointed by county. No fewer than two members of the port commission shall represent each of the three medical pan counties, so -- three metropolitan counties, so they're sensitive to that. We have two commissioners that come from outside the metropolitan area, one from pendleton and one from medford. We are a three-county taxing jurisdiction. And just because the airport is in Portland doesn't mean that people in Washington county or clackamas county, for example or unincorporated Multnomah county don't have an interest in the role that it plays or in issues surrounding it. There are people in Washington county who have noise issues -- you know -- associated with p.d.x. Because of the weather patterns at certain times of the year. And we do interact with the leadership of the other counties with respect to our facilities, both aviation and marine, because they do make a substantial economic contribution to those areas. So those are -- I think I can say -- and someone behind me is in better possession of this. I think those are the only proposed changes in addition to those which the council approved at its last or proposed at its last meeting.

Saltzman: We also proposed deleting the department of environmental quality. You added three counties.

Wyatt: Yeah. And I think --

Saltzman: Deleted the department of environmental quality.

*******:** Correct.

Potter: My understanding that d.e.q. asked to be taken from the list.

Wyatt: And this version that I have here shows that. It references that. I actually thought gil was going to be here to cover the details.

Potter: Yes. Gil is here. Further questions for bill? Thank you.

Wyatt: Great. Thank you.

Potter: Do we have a sign-up sheet?

Moore: Do you want to bring staff up first?

Potter: Does staff want to add to this?

Gil Kelley: Just very briefly, mayor. Gil kelley, planning director. With me is jay sugnet, the project manager. We wanted to explain two points. One is that we did confirm that d.e.q. Would prefer not to be represented on the planning advisory group, would prefer to be on the technical group. We had suggested last time language about another natural resource agency. In the interim, we have not located another agency. That's sort of your discretion as to whether you want to leave a slot reserved in case we do find one. The second piece of that, i'd like jay to explain real briefly the amendment so that everybody's hearing is that are in the revised document that you have that reflect your actions from the last meeting. Jay?

Jay Sugnet: Jay sugnet with the bureau of planning. Really, since council added the tag list to the i.g.a., we felt it was important to actually reference the attachment in the body of the text, so that's why there is -- we added section 12. Section 12 really does three things. First it restates the nomination process. Says the organizations will be nominating p.a.g. Members and their

June 27, 2007

appointments will be jointly made by planning bureau director and also the port aviation director. I just wanted to clarify for the record that, in the language, there was concern the community raised about the replacement the policy, and we wanted to be clear that the replacement policy will follow the same process. Basically any sort of replacements, if the person stops coming or moves away basically, they would need -- the nominating organization would have to identify another person, and then gil and mary would appoint. So just to be clear about that. Second --

Kelley: And it would have to fall within the same categories.

Sugnet: All within the same categories. The second, based on a lot of the questions that council was asking on june 6th, we added some language that just makes it very clear that the decision making progress for the p.a.g. And being clear that they're advisory to city and port and will help inform staff recommendations to the Portland planning commission, the Portland city council, and the port commission. Finally, along the same vein, it's been very clear that the city council has ultimate authority to approve the legislative land use plan and the port commission and the f.a.a. Have the ultimate authority to approve the p.d.x. Master plan update. Also, as bill blosser mentioned, even if there's one person on the p.a.g. That disagrees, all viewpoints will be communicated with decision makers as part of the staff recommendation, and the chair, bill blosser, will be basically doing that for us. So just wanted to be clear about those three points. If you have any questions --

Potter: This does -- I think commissioner Adams' friendly amendment was to ensure that, if there was a replacement, it was from the same group and by the group rather than another, and this seems to cover that.

Saltzman: Yeah.

Potter: Other questions? Thank you. How many folks are signed up to testify?

Moore: We have six people signed up.

Potter: Please call the first three.

Moore: [names called]

Potter: Folks, when you speak, please state your name for the record.

Fred Stovel: My name is fred stovel. 3125 northeast 52nd. Our members agree that this is a fairly balanced way to approach the thing numerically if you consider the Oregon guard as a state governmental organization, since the governor is the commander in chief. That would give you nine government members. We'd have five commercial or business interests and 14 community members of which seven would be specifically Portland-focused as citizens or, in the cares of a.i.r., an advisory group. So we find this to be a nice, balanced approach. As mr. Wyatt pointed out, a.i.r. did in fact recommend this wider approach right at the first luac meeting when the 18-member p.a.g. Was proposed. So we're happy that we've reached a consensus and that we can press forward. We would like to see, as irwin bergman will testify, that we really hope that those three county people are in fact people that have government planning, sustainable practices, land use experience, because that will really help guide this process. Thank you.

Erwin Bergman: Mayor Potter, commissioners, my name is earl bergman, 5330 northeast holman. My concern addresses the three additional positions representing the three counties. While I do not object to it, it's the potential composition of those three. At the last meeting, a citizen brought to you our concerns about the impacts to neighborhoods of the Portland airport that caused you to agree to two additional members of airport neighbors who represent those neighborhoods more effectively and present a balanced approach. I think, at that time, we felt that a proper balance was obtained. Now, with these three additional county positions, I believe a balance could be maintained if those three representatives of these three counties would represent either government agency, government functions or represent land use and planning process interests. If they, however, represent economic interest that have to gain from the expansion or growth of the Portland airport, then I believe the process again becomes very unbalanced. And so we urge you to put a

June 27, 2007

stipulation in that those three county positions should not represent economic interests, because really, if those three appointees are couched as activists -- neighborhood activists -- my question is what would be their stake compared with airport neighbors? These outlying counties have a tiny impact of what airport neighbors are exposed to. Not just noise but pollution, traffic, and all these issues that affect and degrade the quality of life. And I would again remind you that the airport -- Portland does not exist because of the airport. The airport exists because of Portland. I appreciate your considering my suggestion. Thank you very much.

Linda Robinson: My name's Linda Robinson, and I was a member of luac, the land use advisory committee, representing the Columbia Slough for some time, and I wanted to also say thank you for adding the additional community positions at the last council meeting and to restate the position that we think these three county positions are now advocating for should be government people or planning people rather than just being open to them appointing anybody with any interest in order to maintain that balance. Obviously size has gone out the window. I did have some concern about the -- I mean, I understand that d.e.q. chose not to be involved, but we had rewritten it so that there could be some other natural resource agency, and that concern kind of goes away if we have some government planners or someone along that line. I wouldn't be as concerned. But if it's just open to them appointing anyone, I would like to see some sort of natural resource body replace the d.e.q. position and not just eliminate that position altogether. And then just finely kind of for the record, the issue of the third runway, it may be way in the future, but as long as it's in the plan, we will continue to be concerned about it. So I just wanted to put that two cents worth in. Thank you.

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

Alison Stoll: My name is Allison Stoll. I'm the executive director of Central Northeast Neighbors. We're co-located with Fire Station 12 at 4415 Northeast 87th Avenue. I am here representing our board of directors. The Portland airport lies in our northern boundary of our coalition, and we represent eight neighborhoods around the airport. I just wanted to thank, if I was of all, all of you and all of the work that has gone into making the p.a.g. a more balanced reputation of all the people that are involved. I think that your listening to the citizens and the folks who testify and hearing all of our concerns has really brought this p.a.g. to a more balanced reputation. And as the folks who testified before asked about the three counties that will be added, as a person who deals with facilitating large groups of people, I think that the balance is coming together. I don't think it's going to be too large. I do think that the citizens are concerned about the voices that come on with those county seats and maintaining the balance. So if everything works out well, I think that the p.a.g. will be just the right side, and there will be many voices to be heard at the table. Thank you.

Corky Collier: Good morning. Corky Collier, executive director of the Columbia Corridor Association here in support of the amendment. I testified a few weeks ago and asked that the p.a.g. not be increased in size and that the balance not be changed from where it was. Well, it is less balanced now, and it has gone up. Hopefully it's still a good workable group. Right now, we have six business interests. That's if you include groups such as the military as a business interest. So it's pretty poorly balanced on a business side, but I'm relatively confident the other groups will keep business interests in mind. In previous testimony, it was suggested that government and business vote together in a block. When I mentioned that to our board of directors at the last meeting, it took a while for the laughter to die down. When it did I thought, hey, maybe that's true, in which case I'd love to set up meetings with each of you this afternoon to talk about our business wish list. But if it's not true, then we need to make sure we don't make in p.a.g. any more unbalanced than it currently is. Environmental groups can represent business interests. Neighborhood groups can consider their local businesses. I'm not too worried about it unless it gets so out of balance that it, by default,

June 27, 2007

becomes a platform for one business group or another. Hopefully we're not there yet. I urge you to approve the amendment before you right now. Thanks for your time.

Maryhelen Kincaid: I'm maryhelen kincaid. I'm the chairperson of the citizens noise advisory council for the port of Portland, also land use chair for the Portland land use association and the northwest coalition. I regretfully couldn't testify the last time because I was waiting for a phone call that never came. I didn't want to be here and have my buzzer go off in my pocket and have to run off. What I would have said at this point in time is that I was a little bit taken aback by some of my colleagues this sit on the cnac committee with me and also a.i.r. Members that they didn't respect the committee members that had already been selected in being able to take a well-rounded approach. I don't think this is a process or committee that we need to take sides. And I agree with the man sitting next to me that we need to be able to have a vision and we don't need to take sides, and we don't need to say a "we" versus "they" attitude. That happens on playgrounds. I think it happens in all of our dealings, but I think we need to start the process with a very open vision. Being skeptical is really good, but I don't think we should base our actions on negative skepticism. This process needs to build a very good, sound foundation for a land use policy for the city and a master plan for the port, and I hope that's what we accomplish. There was a lot of conventional wisdom in the last testimony about neighborhood coalitions, all neighborhood coalitions supporting additional neighborhoods. That was not true for the north Portland neighborhood coalition. They were interested in neighborhood reputation, but they did not formal lie agree to or make a recommendation. So just to set that record straight. I think it is good the three additional representatives were added, and I hope that, when those -- the office of neighborhood involve many -- randy Leonard's not here, but when they look at nominations that they look at the neighborhoods that are really most affected, hayden meadows, bridgeton, and wilkes, and those neighborhoods that there's some reachout to those neighborhoods for reputations. A.i.r. Has been very active and vocal in this process, and I think it's over a year and a half ago sam Adams met with a.i.r. And I was at that meeting and agreed to be a part of a.i.r.'s meetings. At the time, we discussed mid-term electioning the two committees and -- merging the two committees and decided that wasn't the best. There's been one meeting since that time. I have not been included in any of their discussions. And so the reputation that city folks were consulted, that representation was a consensus, I suspect that was because I might have a differing opinion or representatives have a differing opinion. Just my last line was I feel pretty good about that, because i'd like to think that that old cowboy saying of keep your friends close and your enemies closer kind of worked, because I can kind of keep a handle on all sorts of things, and maybe people really don't know where I stand, but I try to represent all interests. Sorry.

Adams: I always heard that was a political thing.

Kincaid: I heard it in an old john wayne movie, and i've carried the little cap of paper around in my wall let ever since. It served me well a couple of times.

Potter: Thank you, folks.

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

Moore: That's all that signed up.

Potter: Discussion?

Sten: Well, I would be favorable to the suggestion that the county appointments be governor people since it's a government slot, and I think otherwise you might get into what we've had the pleasure of experiencing the last couple weeks of a debate in front of the county commissioners as to whether it's going to be a business or a neighborhood person they put on. I mean, I don't know if it's necessary, but I like the idea of saying -- the point of adding the three is to get the counties represented and it probably ought to be a county planner or something like that. I think it makes sense.

Potter: Anybody from the port want to address that?

June 27, 2007

Kelley: Well, I might invite bill wyatt to join me back at the table here. I understand the concern that was articulated, and I think it's legitimate. I would suggest one way you might approach it is to suggest to the counties, the Portland city council -- we'll hear bill's response to this -- that their appointments be able to represent the broad and long-term interests of those counties and their citizens. Whether that's getting below them through handpicking what their particular skill set might be I think is probably where you don't want to go. You're suggesting that they be a county employee, commissioner? Maybe i'm overinterpreting what you're saying.

Sten: Or planning commissioners we're putting forward. I mean, I can't imagine the intent is to put a citizen, 'cause now you're back into that debate, what kind of citizen.

*******:** Yeah.

Wyatt: First, I think it would be appropriate to maybe reflect some background or qualification. I don't think it would make any sense to appoint people who have no sort of broad experience in the subject, 'cause they're going to get overwhelmed quickly. And I think each. Chairs no doubt has a lot of experience with this kind of thing because, like you, they also have to appoint a lot of people to various different volunteer roles. And let's be clear this is a volunteer role that will be a very intense activity and something they need to certainly take into consideration. Whether or not you could find the planning commissioner who would be willing to do their planning commissioner responsibilities and this as well, I don't know. Whether they're fully prepared to devote a full-time - - not full time but a substantial commitment from a county staff member, I don't know. Whether they would be comfortable with the idea of appointing people who have had some tangible experience in the subject of planning and facility development and so forth I think would be an appropriate suggestion. I'll leave it to you to decide how comfortable you are telling other elected officials -- you know -- where to get off. That's kind of their -- you know -- it's a delicate subject. Let me just say that and not one that we have broached with them.

Sten: I don't think it's really that delicate. You guys brought forward the idea that this was necessary to handle balance, not size, 'cause it made it bigger. You brought these forward to balance the committee. That has to be why you broad it forward. I can't see any other reason. So it must be something you had to mind, and you must have consulted with the county chairs or their staff before you put it in front of us.

Wyatt: Only to see if they were interested, and they are definitely interested.

Sten: I just can't imagine a county planning department that is interested but not enough to assign a few hours of staff time to do it.

Adams: I think, for me, the key interest is it hasn't been heaver is appointed actually be in a position to represent the use of the elected bodies, the county boards. That's I think what we're looking for here. Whatever they might be. So i'm not sure how to necessarily accomplish that, but I think the appointments -- you know -- we all make appointments on who represents us. I think that these appointments, each of the county boards are interested in actually having the conversation back and forth between this process and decision makers there and have enough of a familiarity with the interests of these governments to actually represent the decision maker's views. That's my interest.

Wyatt: And we'll put the time in.

Adams: And have the --

*******:** And be an effective --

Sten: I do agree it's hard to say exactly. Certainly, if a county board member had enough interest, that would be a terrific choice. You can imagine achieve of staff sitting on this or something like that. Maybe if we could work to clarify that the point of this is to represent the county's interest as opposed to it's an appointment. Because there's two kinds of appointments we get. We get sort of you guys put a citizen onto this panel and it's your choice who it is, and we get we need somebody to represent Portland's planning interests and then the mayor and gil work on who that might be. I

June 27, 2007

think, if we maybe just clarified it's a county appointment to represent the county's interests as opposed that a county nomination, that might solve the problem.

Wyatt: I'm fine with that.

Kelley: One thing we could do, rather than mince the words --

Sten: Everybody's nodding. Let's stop there.

Kelley: Rather than trying to recraft the exhibit here, I think what we could do is draft a letter on behalf of the council to the counties just saying what you're looking for.

Sten: I think that would certainly be fine.

Adams: Great.

Potter: Thank you, folks. Further discussion? I think we vote on the amendment.

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

Potter: Aye. This is moved to a second reading? Is that correct? And what is the date?

Moore: Come back July 11th. There's no meeting next week.

Adams: But i'm willing to meet next week if the rest of you are. Just kidding. [laughter]

Potter: Actually, I would, too.

Sten: I think i'll spoil that and honor the country by not working on July 4th.

*******:** You're more of a patriot than --

Auerbach: We could put an emergency clause on it and pass it today.

*******:** Let's pass it today.

Adams: So moved.

Sten: Seconded.

Potter: Now, do we vote --

Auerbach: On that amendment to add the emergency clause.

Potter: We're voting on adding an emergency clause to the amendment.

Adams: Aye. **Saltzman:** Aye. **Sten:** Aye. **Potter:** Aye.

Auerbach: Now you can vote on the ordinance.

Potter: Please call the roll on the amendment.

Auerbach: Be on the item itself.

Potter: Excuse me. The intergovernmental agreement.

Adams: Thank you everyone, and I do mean everyone. It takes a whole village in this case to get this composition done. Aye.

Saltzman: Thank you, Jay and Gil and everybody else who's had -- a.i.r. and everybody else who's been negotiating on this committee. I think it has kept it a fairly tractable size, and they certainly have an ambitious work agenda ahead of them. Aye.

Sten: Well, I agree this is a good place to land, no pun intended, and I think on one hand it can seem a little annoying to kind of work this hard to get a committee right, but I think it's an indication of how passionate people are about these issues and how important they are. The fact that we worked until we got it right gives a much better chance that this will turn out to be a productive process and not the other way around. Jay, I know you're hung in there, and thank you. Aye.

Potter: I appreciate all the parties, and I know that the closer you live to the airport, the more emotional and important this issue is, so i'm really pleased to see representatives of our neighborhoods from that area, and I think that this can be a good process, and I look forward to, as a council member, working with the port and in committee in developing both a long-term strategic plan as well as looking at the land-use issues. So thank you all very much. Aye. Thank you. I'm going to return to the regular agenda.

*******:** Where are we?

Potter: Starting with item 770.

Item 770.

Potter: I'd like to invite the Oregon food bank representatives to address council.

June 27, 2007

Jean Kempe-Ware: Good morning and thank you, mayor Potter and city commissioners. I'm Jean Kampuar for Oregon Food Bank and the Safeway Waterfront Blues Festival. I live at 3754 Southwest Woodstock Boulevard in Portland. I'm here to thank you on behalf of Oregon Food Bank and for your support for the Safeway Waterfront Blues Festival presented by First Tech Credit Union and for proclaiming July 4th through 8th Safeway Waterfront Blues Festival Week. I bring you warm wishes from Rachel Bristol, c.e.o. of Oregon Food Bank, who is unable to be here today because she is at a meeting of Oregon Food Bank's board of directors at the same time. I'm here to thank you to the Safeway Waterfront Blues Festival at McCall Waterfront Park. As you look over, you're going to see parents with babies strapped on their backs and couples walking arm in arm, young people, senior citizens, the rich and vibrant fabric of Portland's diverse community coming together to appreciate and enjoy America's original contribution to music and to help Oregon Food Bank fight hunger because no one should be hungry. The festival remains Oregon's largest art event of the year and attracts people from throughout the world, filling Portland's hotels and restaurants, generating jobs and creating a lively downtown. And we're told by reporters from throughout the nation that it's an anomaly in the festival world. It enjoys great success, but it's run by a charitable organization. It has a global reputation and in the music world as the best-run festival bar none, and it attracts musicians from throughout the world and showcasing Oregon's best. It also has depth with workshops and films and music demonstrations to pass music from this genre from one generation to next. We'll have one kid onstage who's 12 years old and is going to be playing the blues. And it's a community tradition. A mother told us her son took his first steps at the first festival, and he's now in college. This year's festival includes more than 180 performances, including Coco Taylor, Joan Armatrading, the Neville Brothers, Pinetop Perkins, who will celebrate his 94th birthday onstage on July 4th, Marcia Ball, the Blind Boys of Alabama, from Great Britain Savoy Brown and Eric Burton and the Animals, Major Staples, Watermelon Swim, Dan Hicks, Not Licks, and much more. International artists and n.e.a. Recipient Fred Stern will create a rainbow over the Willamette River with the help of Portland City Council -- Portland City Fire Station Number Six. And the theater company is going to be presenting Frozen Carrots, a musical to help kids learn about hunger issues. We're going to have dances, cruises, celebrity chef from New Orleans from Loretta's, New Orleans authentic pralines, and of course the largest display of fireworks in Oregon and even a special 20th -- even a U.S. Post Office with a special 20th anniversary festival postmark. It's important to emphasize that the festival is Oregon's largest annual fund raiser thanks to the support of more than 60 local businesses who underwrite festival costs and 1500 volunteers who help run the festival. And it provides funds to help us get through the first months of the fiscal year before the holiday-giving season. Admission is just a suggested donation of \$8 and two cans of food, which provides about the equivalent of about three days worth of emergency food for a family of four. The supply of food that Oregon Food Bank distributes to agencies serving people in need continues to decline due to decreases -- severe decreases -- in USDA commodities. More than 5 million-pound decrease in the last two years and changing trends in food industry. This means that the donations at the gate are more important than ever. So thank you, mayor Potter, city commissioners, for your continued support and for the very magical venue that makes it all possible. And we welcome you to join us, and we also invite you to come onstage. And if you would like, we can find a place for you to announce one of our stellar Portland musicians. We can find a place that's convenient for your time and schedule. And then you'll also be receiving an invitation for a special Fourth of July barbecue. Thank you again for your support, and we very much appreciate you and for your work and working with you. Thank you very much.

Potter: Well, thank you. The Oregon Food Bank last year distributed over 34 million pounds of food in Oregon and southwest Washington. They do a tremendous service to our state and to low-income people who would otherwise go hungry. So I want to thank Safeway and the Oregon Food

June 27, 2007

bank and encourage people to attend the festival. I do, and it's just a lot of fun. And it's a good family entertainment. So please attend. Thank you. No further?

Saltzman: I just wanted to add thanks that the Oregon food bank for really having -- i'm really impressed with how world class this event has become, and your lineup this year is just amazing. Eric burton and the animals? I don't know where you found them. I mean, I haven't heard of them since, like, I was in junior high.

*****: [laughter]

Saltzman: But I did like them. No. I just think it's really a world class lineup. One thing I wanted to really commend you on is how well run the event is.

Potter: Yes.

Saltzman: There's so many concerts where the time between bands is interminable. How long it takes to set up and take down and get the other group going. You've got it down to an art, going from one band right to the next. Really keeps the tempo going, keeps people excited. It's a very worthwhile cause. Thank you.

Potter: Thank you very much. Please read item 771.

Item 771.

Sten: Mayor, i'm very pleased to recommend the reap appointment of jeff bachrach to the housing authority. He's currently serving as chair, which the board determined is doing a terrific job. The housing authority has a lot of work to do at all times, and I think there's been a lot of focus for the last couple years on simply the task of managing the portfolio we have, because we've done a terrific job of expanding public housing, of working on sort of market mixed income deals and doing have very big, big projects like the columbia. There's a lot to do. At the same time, I think jeff is working very hard in working partnership with myself, the Portland development commission, and v.h.d. At what are the next steps and how do we really I think reconfigure our efforts and make them more effective for the next couple years in the time ahead. Actually, i've recently had a cup of coffee with jeff where we started to broach the subject of, ok, I think it's time to start, although it seems completely hard to imagine talking about how to solve the affordable housing problem over the next 20 years. How do we get our efforts, now we have the skills, the capacity and hopefully the will in this country to really take this issue on, and we've been working at building that capacity for a long time. I think jeff's a key part of it. How do we push our citizens and ourselves to get this to a scale where this is not a crisis sometime in our lifetime? I think jeff has got that nice mix of vision and real world acumen and has a strong background in development and is making sure the housing authority pays attention to the things it needs to. I obviously and proud and delighted to renominate jeff and will open up the floor to jeff to talk a little bit about his work and would recommend this to the council.

Jeff Bachrach: Thank you, erik. Mr. Mayor, city commissioners. A pleasure to be here. It's been an honor and privilege the last four-plus years to serve on hat. It's an agency, since i've been there and the leadership of steve rudman, that really is clicking on all cylinders. It's not a staff that making the role of the symbolic leader that I am right now, it's very satisfying. It's really not to my credit so much as to steve and a great staff. I did want to take a minute or two today to just touch on one initiative at hap with erik as our advocate here aft the council. It doesn't seem like there's much I can say or do that he's not already an incredibly effective advocate for. The preservation of our public housing for the folio is an initiative that will be coming back to you in the coming months to talk more about and probably look for some funding help from you. Very briefly, just to introduce it, and there will be more time in the future to talk about it. One component of our portfolio is 2500 public housing units. These are located in 38 properties around the city and county. They serve the lowest income people we serve. These are the hardest to house from a financial standpoint 'cause their incomes are so low. 62% of these people are on fixed income. They're seniors or disabled. It's the toughest strata to serve with housing, because these are fully

June 27, 2007

subsidized units. We get an annual operating allotment from the federal government, from h.u.d., and we get an annual capital improvement fund, and they keep cutting those numbers back and back and back. And so what we've been doing at h a.p. The four years i've been there is band aid approaches, taking money out of capital for operations, and it's an unsustainable economic model the federal government has given us. Housing authorities around the country are giving up and selling their public housing because there's no way to sustain it with the funding the feds are now giving us. We don't want to do that at h a.p. The cost to replace these units is far greater than the cost to save them. What we are doing now, just to give you a sense of the scale, we get 83 cents on the dollar for the operating costs. The dollar. Operating costs, we get 83 cents from the feds and scramble for the other 17%. The numbers go up and down each year, but it's a gap of about 2 million dollars a year in operations to operate the 2500 units. On the capital side, we're just completing a detailed capital plan that looks like -- and these are rough numbers -- we're going to need to spent \$15 million over the next five years. It's a big number, but it's about \$22,000 a unit. It's not a huge number in terms of what it would cost to build new units. We get about -- we're down to about \$4 million a year from the feds and capital money. There's gaps on both sides, and we're going to work hard on ideas for closing the gap and come back to you either in perhaps a work session or individual briefing showing you different approaches for closing those gaps. But our feeling is we have to do it. We can't -- we have to do something with our public housing. We do not want to sell it. There's got to be a more sustainable economic model. And that's my introduction to the substantive issue, but it is a high priority, and it's not quite frankly as headline grabbing as the new columbia, as some of the other projects we do, but it is a part of our core mission, and we don't want to lose sight of it. I mention that, and other than that I hope -- I think the relationship between h.a.p. And the council continues to be a good one. We are also cognizant of your policies and your direction and try to always be serving it. So if there are other comments or questions, i'm happy to take up as much time as you give me or leave if you're ready to move on.

Sten: Questions from the council?

Potter: Do we have a sign-up sheet?

Moore: We have susan Emmons.

Bachrach: I better stay here just to keep an eye on things. Though I will say my education has been great the last 4 years. One of the mentors people who have helped educate me is susan. She is a delight and a prize for the city.

Susan Emmans: My name is susan emmans and I'm the director of northwest pilot project. I'm here today just to say that I've been watching hap for 22 years. I think jeff is doing an excellent job leading this organization. Like you and you will really understand this. They do their work of their board of commissioners in public and that can be very tedious at times as know. The minutia that advocates and other people who want to come and testify bring up. I think jeffs been very gracious and has really encouraged public debate and really talked to the housing advocates about how he wants to get more into the policy debate and policy discussion. And that's just been very intriguing and very interesting. Recently we had a staff member in our housing program for five years who went off to do a masters in usual planning -- urban planning and came back, and I wanted to know about her experience and she said, susan, for all that we criticize in the city of Portland, our housing authority is incredibly transparent in how they do their work. Compared to what she had discovered on the east coast. Just trying to put a research project together and not being able to get information that should be available to the public. And I really appreciated watching the housing authority conduct their work in public, share information, and be very responsive to those of us who wanted more information, who wanted reports, who wanted things added to the board packet that we read. And they've done that and been incredibly responsive. And I would agree with jeff, we have the strongest team we've ever had on the staff, but I think we also have the strongest -- i've ever seen, currently their understanding of the issues, they're very well informed, so -- you can see they've

June 27, 2007

read these thick packets. I'm here to support jeff being renominated today. Just commend them on the way they're running this organization, and it is -- they've -- we've given them a tough job, and I think they're doing it in an exceptional way.

Potter: Thank you. Is that it?

Moore: That's all who signed up.

Potter: Please call the vote.

Adams: Jeff, I really appreciate the opportunity to meet with you and discuss some of the key issues related to working people and affordable housing in particular, and I felt very pleased with our conversation and I thank you for signing up for this challenging task and the direction that you intent to lead. Pleased to vote aye.

Saltzman: I'm also very pleased that you're signing up for another term, and the mayor has nominated you. Particularly I want to thank h.a.p. For its responsiveness to issues around new columbia and the need to engage and make the area safer for families and kids to enjoy the parks and the open spaces. I know the mayor has been very involved in that as well. But I think the housing authority and the city of Portland really I think have gotten ahead of the curve, and so I appreciate h.a.p.'s leadership in that regard. Pleased to support you. Aye.

Sten: I do think we have the best housing authority in the country. Lots of challenges to face, but it's because of leaders like jeff and the strong staff, so i'm glad you're going to keep going. It's going to be a mix of trying to preserve what they have, do the new exciting approaches like new columbia and pay a lot of attention to just the day-to-day management, because there's a lot of these units throughout the city. So it's a big job, and i'm glad you're up for it. It's a pleasure to vote aye.

Potter: It's actually an honor for me to vote yes. For citizen who's have a passion and donate their time and skills to make our community better, and to provide for those in need, I truly do appreciate it and I want to thank you and the rest of the board and the staff at the housing authority. Thank you. I vote aye. [gavel pounded] 782 is the remaining.

Item 782.

Saltzman: Thank you, mayor. This item authorizes the pursuit of a contract by p.i.r. to repave and substantially improve much of its track surface. It's important to expedite this work which is why this has an emergency clause. We want to schedule the work to happen during the fall and winter, which is kind of the track's down season. We've heard from different users of this facility, especially our two-wheel users. Super bikes that run at p.i.r. and our newest user, group bicycles. And on monday and tuesday bicycle races are a big success for p.i.r., and we realize the track needs to work for a diverse group of people. We have here to answer questions mark, the p.i.r. manager, if you have any questions, and we also have one of the newest groups in town, greg baldwin of the friends of p.i.r. I don't know if you want to say anything.

Mark Wigginton: I'm mark wigginton, track manager at p.i.r. During our economic impact study a year, almost two years ago, one of the primary problems that users identified was the paving at the track. It's deteriorated significantly since the last paving in the 1990's. And that's a real safety issue for the users. Just recently we had a big bicycle accident on a monday night that took three people to the hospital as they hit a rut in the track that they didn't see and a group and the whole -- the whole group went down. It's an important thing to do. This ordinance allows us to do an expedited and quicker purchasing system basically we're prequalifying the bidders before the bidding, and that will allow us to do the paving in the window that we have, which is, we've closed -- i've created a hole in the schedule from september 17th to november 2nd. Typically that would be fully booked until the end of october. So we're losing opportunity costing of about a quarter million dollars there by shutting down, and that's part of the cost of the repave.

Greg Baldwin: I'm greg baldwin. I'm here on behalf of the board of the friends of Portland international raceway. It's a nonprofit of about 7,000 members that exists for the purpose of advancing three goals -- the first is preserving and enhancing p.i.r. as a resource for those who use it

June 27, 2007

as both participants and spectators. The second is sustaining and expanding p.i.r.'s civic contribution as an institution in north Portland. And the third is providing guidance and support for the ongoing management of p.i.r. We want to recommend that you approve this as mark mentioned, the surface is deteriorated, it is a hazard, particularly to those on commissioner Saltzman said on two wheels. Less so for those on four wheels. Basically the surface lift of the asphalt has lost its integrity so it is in the process of failing throughout its length. Obviously fails -- failures are most obvious where they're under greatest stress.

Potter: Since this work won't be done until next winter, did you say?

Wigginton: This september if the bids go through the way they should.

Potter: What about the summer events? Does this pose any risk?

Wigginton: No. We tend to pretty aggressively go after failures as they occur, so we'll saw cut sections out and do a lot of maintenance. One of the things we discovered, we did the process, we core sampled around the track and found that except for the two main sort of old market roads that were vanport, which have a good base, both ends of the racetrack have literally two inches of rock as a base and four inches of asphalt, which is why they're deteriorating. Part of the process will be to go in and create a good solid base. We should get another 20-year life out of the repave.

Baldwin: I think it's an appropriate strategy. My point simply was, though, in looking at the track, the failures are not isolated, which sometimes can occur because of a particular problem in an area of a subbase, but they're beginning to occur in a variety of places. So I think the integrity of the lift is as -- has really been compromised, and the subbase is really inadequate in a number of areas.

Potter: Other questions? Ok. Was anybody signed up to testify on this matter?

Moore: No one signed up.

Potter: Ok. Ok. Call the emergency vote.

Adams: I had the honor last month to go to my first event at p.i.r. for the bike race. And they gave me a gun --

Potter: Uh-oh.

*******:** Which I have pictures.

Adams: A starter gun.

Potter: Did you take it back afterwards?

Adams: No, it's in my desk. Starter gun, and really was impressed with the welcome and enthusiasm that the -- you and your team have for the bike races there. They love it, and the turnout for those bike races are in the many hundreds. I really like the multimodal use of the track. Pleased to vote aye.

Saltzman: Good job. Aye.

Sten: This makes a lot of sense. It's amazing they didn't build the foundation right on a racetrack, but we'll get it right this time. Aye.

Potter: Aye. [gavel pounded] we're recessed until 2:00 p.m.

At 11:43 a.m., Council recessed.

June 27, 2007

JUNE 27, 2007 2:00 PM

Potter: Thank you very much for standing. He's a Portland state university alumni, he's visiting from Saudi Arabia. He is the vice-president of the Riyadh Chamber of Commerce and a board member of the Saudi Arabia Monetary Agency. Recently he and his brother hosted the largest P.S.U. Golf Cooperation Council Alumni Reunion, the fourth of its kind in Riyadh. The first time alumni from outside of Saudi borders attended, including President Daniel Bernstein. His support of the Middle East Studies Center at P.S.U., information and education on Islam and Saudi Arabia are readily available to all Portlanders. We'd like to thank you for being in Council today, Sir. Thank you very much. [gavel pounded] City Council will come to order.

[roll call]

Potter: Before we start the agenda, we need to elect a next president of the council. It is Commissioner Adams' turn. I need a motion to make that happen.

Sten: So moved.

Potter: Is there a second?

Saltzman: Huh -- [laughter] sure, I'll be honored to second that.

Adams: We're deposing Randy and he's not even here?

Saltzman: The best way to depose him.

Potter: Please call the roll.

Adams: I'm deeply humbled by this ever-rotating honorific title. Aye.

Saltzman: Congratulations. Aye.

Sten: Have you my full support. Aye.

Potter: Aye. [gavel pounded] I'd like to remind folks --

Adams: That would really piss him off. There we go.

Potter: I'd like to remind folks prior to offering public item to City Council a lobbyist must declare which lobbying entity he or she is authorized to represent. Please read items 787 and 788 together.

Potter: The city attorney will describe the hearings process.

Items 787 and 788.

Linly Rees: Today this is an evidentiary hearing which means you may submit new evidence to the council in support of your arguments. This evidence may be in any form such as testimony, letters, petitions, slides, photographs, maps, or drawings. Any such items you show to the council during your testimony should be given to the council clerk at the end of your testimony to make sure they become part of the record. This is council consideration of a hearings officer recommendation on a comprehensive plan map amendment. Testimony concerning the hearings officer's recommendation will be heard as follows. We will begin with a staff report by B.D.S. staff for approximately 10 minutes, following the staff report council will hear from interested persons in the following order. The applicant will go first and have 15 minutes after the applicant the council will hear from individuals or organizations who support the applicant as proposal. Each person will have three minutes to speak. Next council will hear from persons, organizations who oppose the applicant's proposal. Each person will have three minutes. If there was testimony in opposition to the applicant's proposal, the applicant will have an additional five minutes to rebut testimony given in opposition to the proposal. The council may close the hearing, deliberate and take a vote on the hearings officer's recommendation. If the vote is tentative the council will set a future date of adoption of findings and a final vote on the recommendation. If council takes a final vote today, that will conclude the matter before council. There are several guidelines for presenting testimony and participating in the hearing as follows. One, testimony must be directed to approval criteria, any testimony in evidence you present must be directed toward the applicable approval criteria or

June 27, 2007

other criteria in the city's comprehensive plan or zoning code you believe apply to the decision. B.d.s. staff will identify the criteria as part of their staff report to council. Two, issues must be raised with specificity. If you fail to raise an issue clearly enough to give the council and the parties an opportunity to respond to the issue, you will be precluded from appealing that to the land use board of appeals. Third, the applicant must identify constitutional challenge to conditions of approval. If the applicant fails to raise constitutional or other issues relating to proposed conditions of approval with enough specificity to allow council to respond, the applicant will be precluded from bringing an action for damages in circuit court to challenge the conditions of approval.

Potter: Thank you.

Potter: Do you wish to declare a conflict of interest?

Adams: Ex parte contacts.

Potter: We'll get to that. Any other? No members of council -- no council members have a conflict of interest to declare. Do any members of council have any ex parte contacts to declare or information gathered outside of the hearing to disclose?

Adams: Yes. Since filing the application I visited twice with the applicants to discuss this project. My staff has met frequently with the applicants to discuss various aspects of this project. I visited the site twice without the applicants, and on my recent tour is the montavilla -- the east tabor montavilla neighborhood business district, I talked to local business owners about this application.

Potter: Others? I had ex parte contact to declare. I had a social meeting, I ran into brad, and he discussed the project with me. That was the extent of the information. Do any members of council have other matters that need to be addressed before we begin the meet something ok, starve, thank you.

Nan Stark: Thank you. Good afternoon, mayor Potter and members of the council. I'm nan stark, I am the planner assigned to this case, which is land use review 06186208. It's a comprehensive plan map amendment, and zoning map amendment. For the baptist manor redevelopment. What i'm going to do is review the proposal briefly and go over the approval criteria. I will show a few slides of the site and the vicinity, summarize the hearings officer recommendation, and there are a couple of conditions of approval that I will review for your benefit. So the proposal is a zone change from the existing r.h. zoning high-density residential, a small portion of the site is also zoned c.s., which is store front commercial, with a b buffer overlay zone. The proposal is to change the zone entirely to c.m. mixed commercial, with comprehensive plan designation of urban commercial. And it's for reuse of the existing structures and redevelopment of those 54 condominiums with an additional floor in one of the buildings and up to 69 apartments in the southern building and ground floor retail space. Existing parking area will be utilized and redeveloped for 58 vehicles, and the applicants anticipate that over a two-phase redevelopment project they would like to get 15,000 square feet of floor area for retail and have proposed a condition limiting residential uses to 95,000 square feet and commercial and retail uses to 15,000 square feet. This shows the existing zoning which is r.h. Primarily except for the northern 10,000 square feet, which is in the c.s., and the west corner of that is in the b buffer overlay zone, and the orange shows you that the proposed zoning is c.m. mixed commercial. The approval criteria for this case is 33.810.050 a, comprehensive plan map amendments. 33.855.050 a-d zoning map amendments, and because the small piece of buffer overlay zone is also to be removed, the approval criteria of 33.855.060 b also apply. This is the site map showing the boundaries of the site. It's just under two acres, extending from northeast Oregon to the north almost to holliday street bounded by 82nd avenue on the east and 81st on the west. And what this small picture is showing is the main entrance from the southeast corner of the site facing 82nd. And so basically i'm just going to walk you around the perimeter of the site and you'll also be able to see the adjacent area. So this is looking north from 81st avenue at the southern end from Oregon street, and the baptist manor site is

June 27, 2007

on the right. And now it's on your left, and this is looking east down Oregon street. So again, you can see the -- basically single family neighborhoods around it. And this is showing the rear or western part of it from 81st avenue. This piece of it is the later extension, the original building was from 1915. This extension was built in 1950. And then subsequently in 1959 the second building was added with the parking lot. It's the -- the building is close to 82nd avenue and the parking lot is along 81st. So you're looking at it from 81st avenue. And then the northern end of the site with -- this is the nearest residential structure. This is fairly typical of some of the newer infill in the neighborhood due to the high density residential zoning around it. And now we're looking from 82nd, so fairly small scale commercial around the area with some multidwelling also on 82nd avenue. And then this is east of 82nd back to the single dwelling neighborhood. This gives a perspective from the two buildings from the 82nd avenue frontage. The bus stopped right in front of the building for line 72. And back to the main frontage on 82nd, the nearest commercial, Montavilla park is basically across the street to the east and that extends up to Glisan street. And then we're back. The analysis showed public services are adequate object can be improved and these conditions are recommended and they came out of the transportation impact study the applicant provided. So the density floor area for nonresidential uses to 9,800 square feet, and if the applicant wishes to increase the density or the nonresidential floor area, above those limitations, then Portland transportation has recommended this condition of approval requiring a type two land use review which would show through a transportation impact study that the proposed use can be supported by the transportation system with evaluation factors that include street capacity and levels of service. And that concludes my report.

Potter: Questions? Thank you. We'll now hear from the applicant. Thanks for being here. When you speak, state your name for the record. You have a total of 15 minutes.

Ted Gilbert: My name is Ted Gilbert, Mayor Potter, Commissioners, thank you for the opportunity to come today. We'll take advantage of our time. We probably won't even need that long. I'll give a brief overview, turn it over to my colleague and codeveloper, who will turn it over to the architect who will show you a couple of pictures of what we hope this turns out to be. How we came to be here actually started about two years ago. And I was sitting in the office of Commissioner Adams, working on a project that actually Mayor Potter and Commissioner Leonard helped with, which was the recruiting of Assurity Northwest to move their headquarters to the Lents Center. Commissioner Adams shared one of his hopes for Portland in order to build the creative class, was to see if there was a way to create affordable housing, live-work housing for artists that someday they could maybe even afford to own. And right at that time an idea came together, and I said I know the building and I know an entity that has the money. Long story short, the Portland Affordable Housing Preservation Trust, which is a 501(c)3 profit, purchased the property with my codeveloper, beam development and our vision is to create an entire community for artists, and if you want we can explain how we define that, but it's meant to be a broad description. The first phase is intended to be 54 live-work condominiums that they will get to own. To share with you, and we're underway on that, that phase is not a subject of this land use review. The zoning is already in place and we're underway on that one. To give you a sense of the affordability we're speaking to, if you went to the Pearl District and walk in addition the new towers, the most popular unit are the smallest units, their price point leaders. Last time I went into one it was 467 square feet and would sell something akin to \$250,000. Our units, we don't pretend this is Northwest Portland necessarily, but is a 490-square-foot loft unit, high ceiling, starting at \$99,995. Phase two is intended to be live-work rental units for artists that are priced so that they could start as low as \$200 a month. In addition to that, we're not just there to house folks, we hope to help them build their careers. In addition in phase two, which is the reason for this zone change request, is we want to have a gallery on the ground floor that will show and sell the work that's produced there, we want to have a performance base, we want to have a small restaurant/coffee house as well. So all of this is being privately funded. So

June 27, 2007

that in short is the vision for this. Obviously we'll be happy to answer any questions. I'll turn it over to my codeveloper, brad malsin.

Brad Malsin: To add to what ted has said, one of the other things we believe, we believe Portland is Portland because in large part because of its support of the arts and because of the kind of artists that are coming here and have been here. So we see this need as a very fundamental need to support the future of Portland related to the arts. Also I think you all recognize that I didn't state my name, did i? Brad mouse, beam development. Anyway, we recognize that there are a huge number of artists coming here, and how do we support them? And a large I think it was a recent article that stated that 300 and some-odd million dollars of retail sales are related to the arts. I think that's pretty significant. And we feel we want to do our part to engage that. The one thing I think ted did leave out is that in this project, this is really an intentional community for artists. And the -- part of that intentional community for artist assist for artists to live and work and support each other. We know artists are -- have a lot of skills but sometimes they're not related to business skills, and we want to help them develop those skills. We want them to understand how to negotiate a contract with a gallery. How to run a gallery. How to build a portfolio. And to be perfectly frank, I think artists need to be critiqued by artists of their own ilk to be able to grow and challenge themselves to become better artists. So in this project, a lot of what we want to do is provide some services that will allow artists to succeed within their chosen field. So I think that very much wraps up -- also I think there's one other element, which is preservation. Did I have a chance to speak with the mayor, the mayor's mother lived in baptist manor at one point, and it is a strong history to the neighborhood of baptist manor, they are beautiful buildings, they deserve to be preserved. And it's our intention to preserve them and store them and engage them in yet another life, and create more opportunity for the -- for montavilla and the city and for artists. With that I think we'll turn it over to bill and carrie.

Bill Neburka: So we have a few images. We have a few images of the project that I think go to the character and nature of the redevelopment. As ted stated, it is a two-phase development. The first phase being a for-sale condominium units that was the application was made under the existing zoning. It conforms to the existing zoning. We're looking at creating an artist community that is in some ways economically sustainable, where there are a wide variety of opportunities for living spaces, both rental and for-sale. Again, just this sort of location plan which I think was kind of covered right next to montavilla park. Some existing -- again, it's a two-part project. The second phase is the second historic structure, a courtyard structure, and the first phase, which is underway, is the 1950's, 1960 assisted care facility. The existing zoning, which is r.h., has the 75-foot allowable height limit. An f.a.r. of 2-1, which would have allowed 173,000 square feet. The proposed c.m. is 45-foot allowability height limit and it would allow the limitation per square footage is only on the commercial space, so it would have allowed 86 -- will allow 86,735 square feet. This is just a diagram of the project showing the two buildings. The older structures at the top part of the screen. The phase one newer structure is the lower part of the screen and it shows that we have added a fourth floor on to the roof of the existing structure. The parking lot is just to the top right of the screen. The existing parking is being reconfigured to -- .

Carrie Schilling: The existing parking was pretty inefficiently laid out, but it was 33 parking stalls and now we're getting a lot more parking squeezed into the same paved area.

Malsin: 58.

Schilling: 58 stalls.

Neburka: Just a plan of the development, phase one is in the brighter blue parking lot at the top right. And the older courtyard structure on the left side of the screen. We want to show quick indications of the character we're trying to achieve, reusing these buildings. This shows some of the areas of the existing building prior to demolition. In the same area after demolition, what we've done is, we're trying to modify the structures by reduction more than anything. In the lower right

June 27, 2007

corner you'll see a photo mock-up of what -- one of the typical units will be. It will be exposed structure and basically just trying to clean up the shell as much as possible. This is a photo rendition of the 82nd street facade. You'll see the glass line is moved out, the fourth floor is added at the top and some new cladding of combination of wood screen and wood cladding on the front. This is an image of the interior space, the parking lot to be to your left. The existing historical structures to your right and the new entry to the building has been shifted to enter off of the parking area in the courtyard. Just some details of how that 1960's structure is being adapted, mostly with new cladding, new glazing, and the addition of the fourth floor structure on the left. And finally, another image from 82nd showing the redeveloped phase one structure.

Gilbert: I think that concludes our presentation, unless you guys have some questions.

Potter: Questions from the commissioners? Thank you.

Malsin: Thank you.

Potter: Did we have a sign-up sheet?

Moore: We did. No one else signed up.

Potter: Ok. So we have time for persons who support the application. Are there folks here who support the application? People who oppose the application? Well, I guess we don't have to offer you a rebuttal, folks. So we'll just go directly into deliberation. The evidentiary record is now closed. Council has before them two documents, a hearings officer's report recommending approval of the comp plan amendment and zone change, and an ordinance implementing the recommendation. Now is the time for council discussion and deliberation.

Sten: I would move that we accept the hearings officer's recommendation and amend the comp plan accordingly.

Saltzman: Second.

Potter: Please call the vote.

Adams: Needless to say, i'm thrilled to move forward the motion on the table. And deep thanks to brad and ted and carrie and the entire team. I want to thank the planning bureau staff as well. Aye.

Saltzman: This looks very exciting. I love it. Aye.

Sten: I agree. I want to compliment everybody, starting with commissioner Adams for thinking this up. He talked to me about the idea, I thought it was terrific but couldn't figure out how to do it, and that's when the better minds of brad and ted came into this. I think this is a really big step on a bunch of fronts. Affordable space for artist, investing in a part of town that is often overlooked, but dos doing it in a way that doesn't gentry identify the area and move people out. So I think this adds vitality, it's a major statement to artist, people who are trying to make Portland a better place, we want them to have an affordable place of their own. My hat's off, I look forward to coming to what I expect to be a very creative party when this thing is ready to be occupied. So good work, gentlemen. Aye.

Potter: --

Adams: I forgot to thank jessie beeson on my staff, who is I would be remiss if I didn't do that, who has done an amazing job. Jessie, thank you as well very much. Sorry.

Potter: I want to thank you folks too. I think this is a great project. I know my mom if she were alive would be very happy that you folks are building a place for artists to live. Because she always had a lot of respect for those folks. So thank you very much. I vote aye. [gavel pounded] ok. On 787, ordinance to implement recommendations. Do I hear a motion?

Saltzman: Move approval.

Adams: Second.

Potter: Call the vote.

Adams: Aye. **Saltzman:** Aye.

June 27, 2007

Sten: I also wanted to thank jessie. We all know sam's ideas are only as good as his staff, and good job. Aye.

Adams: Absolutely.

Potter: Aye. [gavel pounded] that's it. Congratulations, folks, we're adjourned until next week.

At 2:34 p.m., Council adjourned.