



CITY OF  
**PORTLAND, OREGON**

OFFICIAL  
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **5TH DAY OF DECEMBER, 2007** AT 9:30 A.M.

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

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

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

<b>COMMUNICATIONS</b>	<b>Disposition:</b>
<p><b>1425</b> Request of Tom Feely to address Council regarding recognizing CityFleet as 9th Best Fleet in North America (Communication)</p>	<b>PLACED ON FILE</b>
<p><b>1426</b> Request of J.D. Cook to address Council regarding prevention of further bloodshed on our streets (Communication)</p>	<b>PLACED ON FILE</b>
<p><b>1427</b> Request of Mary Ann Schwab to address Council regarding citizens voting for Portland for HGTV funding (Communication)</p>	<b>PLACED ON FILE</b>
<b>TIME CERTAINS</b>	
<p><b>*1428 TIME CERTAIN: 9:30 AM</b> – Adopt budget adjustment recommendations and the Minor Supplemental Budget for the FY 2007-08 Fall Budget Adjustment Process and make budget adjustments in various funds (Ordinance introduced by Mayor Potter and Commissioners Adams, Leonard, and Sten)</p> <p><b>Motion to accept substitute exhibit to correct technical error:</b> Moved by Commissioner Saltzman and seconded by Commissioner Leonard. (Y-5)</p> <p>(Y-5)</p>	<b>181456</b> AS AMENDED
<p><b>*1429</b> Adopt the FY 2007-08 Fall Major Supplemental Budget in the amount of \$76,678,593 and make budget amendments in eleven funds (Ordinance introduced by Mayor Potter and Commissioners Adams, Leonard, and Sten)</p> <p>(Y-5)</p>	<b>181457</b>



December 5, 2007

<b>CONSENT AGENDA – NO DISCUSSION</b>	
<b>Mayor Tom Potter</b>	
<b>1431</b> Proclaim Measure 26-93 enacted and in effect (Proclamation) (Y-4; Leonard absent)	<b>PLACED ON FILE</b>
<b>Office of Management and Finance – Business Operations</b>	
<b>*1432</b> Pay claim of Marti Engele (Ordinance)  (Y-4; Leonard absent)	<b>181453</b>
<b>Office of Management and Finance – Human Resources</b>	
<b>*1433</b> Create three new Nonrepresented classifications of Maintenance Group Manager, Transportation Systems Group Manager and Transportation Development & Engineering Services Group Manager and establish compensation rates for these classifications (Ordinance)  (Y-4; Leonard absent)	<b>181454</b>
<b>1434</b> Change the salary range of three Nonrepresented classifications, Chief Deputy City Auditor, Archivist and Records Center Supervisor and Council Support and Contracts Supervisor (Ordinance)	<b>PASSED TO SECOND READING DECEMBER 12, 2007 AT 9:30 AM</b>
<b>Office of Management and Finance – Technology Services</b>	
<b>1435</b> Authorize an Intergovernmental Agreement with Multnomah County for joint purchase of Aerial Photography Consortium products (Ordinance)	<b>PASSED TO SECOND READING DECEMBER 12, 2007 AT 9:30 AM</b>
<b>1436</b> Amend contract with Graybar Electric Company, Inc. for a five year extension of Lucent maintenance and service support for the Integrated Regional Network Enterprise Project (Ordinance; amend Contract No. 40704)	<b>PASSED TO SECOND READING DECEMBER 12, 2007 AT 9:30 AM</b>
<b>Commissioner Sam Adams</b>	
<b>Bureau of Environmental Services</b>	
<b>1437</b> Authorize a contract with the lowest responsible bidder for the Schmeer Pump PS Force Main Relocation Project No. 8579 (Ordinance)	<b>PASSED TO SECOND READING DECEMBER 12, 2007 AT 9:30 AM</b>
<b>1438</b> Amend contract with Southwest Neighborhoods, Inc. to provide additional support for watershed projects in the Stephens Creek subwatershed (Ordinance; amend Contract No. 37591)	<b>PASSED TO SECOND READING DECEMBER 12, 2007 AT 9:30 AM</b>
<b>Office of Transportation</b>	

**December 5, 2007**

**\*1439** Authorize the Portland Office of Transportation to acquire certain permanent and temporary easements necessary to construct street improvements on NE 122nd Ave and NE Airport Way through the exercise of the City's Eminent Domain Authority (Ordinance)

(Y-4; Leonard absent)

**181455**

**Commissioner Dan Saltzman**

**Office of Sustainable Development**

**1440** Authorize an Intergovernmental Agreement with Metro to receive sponsorship for ReTHINK educational series and Build it Green! Home Tour in the amount of \$8,000 in FY 07-08 (Ordinance)

**PASSED TO  
SECOND READING  
DECEMBER 12, 2007  
AT 9:30 AM**

**City Auditor Gary Blackmer**

**1441** Certify abstract of votes cast at Municipal Non-Partisan Special Election held in the City of Portland, November 6, 2007 (Report)

(Y-4; Leonard absent)

**ACCEPTED**

**REGULAR AGENDA**

**Mayor Tom Potter**

**Bureau of Planning**

**\*1442** Approve recommendation to favor withdrawal, set boundaries and fix time for final hearing on withdrawal of property from the City of Portland in case number WD-1-07, south of SW Garden Home Road and west of SW Oleson Road (Ordinance)

(Y-5)

**181458**

**Office of Management and Finance – Human Resources**

**1443** Authorize changes to the Human Resources Administrative Rules and to the definition of classifications exempt from the classified service to implement Charter reform approved by the voters on May 15, 2007 (Second Reading Agenda 1411)

(Y-5)

**181459**

**Office of Management and Finance – Purchases**

**December 5, 2007**

<p><b>1444</b> Modify the Professional, Technical and Expert policy documents to address Minority, Women and Emerging Small Business subcontractor concerns and to require public notice of the City intent to execute sole source PTE contracts (Previous Agenda 1412)</p> <p><b>Motion to add “binding city policy” paragraph to the Resolution:</b> Moved by Commissioner Saltzman and seconded by Commissioner Leonard. (Y-5)</p> <p>(Y-5)</p>	<p align="center"><b>36558</b> AS AMENDED</p>
<p align="center"><b>Commissioner Sam Adams</b></p>	
<p align="center"><b>Office of Transportation</b></p>	
<p><b>1445</b> Vacate a portion of SW Gaines St between SW 15th and 16th Aves subject to certain conditions and reservations (Hearing; Ordinance; VAC-10032)</p>	<p align="center"><b>PASSED TO SECOND READING DECEMBER 12, 2007 AT 9:30 AM</b></p>
<p><b>1446</b> Vacate a portion of NW 9th Ave north of NW Overton St subject to certain conditions and reservations (Hearing; Ordinance; VAC-10038)</p> <p><b>Motion to add new paragraph to directives to read “said parcel as described in exhibit 1a and depicted on 1b shall remain open and is for perpetual use by the public”:</b> Moved by Commissioner Sten and seconded by Commissioner Adams. (Y-5)</p>	<p align="center"><b>PASSED TO SECOND READING AS AMENDED DECEMBER 12, 2007 AT 9:30 AM</b></p>
<p><b>1447</b> Authorize an Intergovernmental Agreement with the Tri-County Metropolitan Transportation District to provide for enhanced security and cleaning during construction of light rail facilities on 5th and 6th Avenues for calendar year 2008 (Second Reading Agenda 1416)</p> <p>(Y-5)</p>	<p align="center"><b>181460</b></p>
<p align="center"><b>Commissioner Dan Saltzman</b></p>	
<p align="center"><b>Office of Sustainable Development</b></p>	
<p><b>1448</b> Consent to transfer of Hoffman Sanitary Residential Solid Waste and recycling collection franchise to Wacker Sanitary Service (Ordinance)</p>	<p align="center"><b>PASSED TO SECOND READING DECEMBER 12, 2007 AT 9:30 AM</b></p>
<p align="center"><b>Parks and Recreation</b></p>	
<p><b>*1449</b> Authorize contract with Hargreaves Associates to provide planning, design and construction administration services for improvements to South Waterfront Neighborhood Park (Ordinance)</p> <p>(Y-5)</p>	<p align="center"><b>181461</b></p>
<p align="center"><b>City Auditor Gary Blackmer</b></p>	
<p><b>1450</b> Assess property for sidewalk repair by Bureau of Maintenance (Second Reading Agenda 1420; Y1064)</p> <p>(Y-5)</p>	<p align="center"><b>181462</b></p>

At 11:14 a.m., Council recessed.

**December 5, 2007**

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,  
OREGON WAS HELD THIS **5TH DAY OF DECEMBER, 2007** AT 2:00 P.M.

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

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

<p><b>1451 TIME CERTAIN: 2:00 PM</b> – Adopt the mission of the Portland Higher Education Subcommittee, authorized by the Oregon State Board of Higher Education, as part of an emerging Portland Knowledge Industry Strategy (Resolution introduced by Commissioner Adams)</p> <p>(Y-5)</p>	<p><b>Disposition:</b></p> <p><b>36559</b></p>
<p><b>1452 TIME CERTAIN: 2:45 PM</b> – Accept State of the River Report 2006-07 (Previous Agenda 1424; Report introduced by Mayor Potter)</p> <p><b>Motion to accept the report:</b> Moved by Commissioner Sten and seconded by Commissioner Saltzman.</p> <p>(Y-5)</p>	<p><b>ACCEPTED</b></p>

At 3:51 p.m., Council recessed.

**December 6, 2007**

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **6TH DAY OF December, 2007** AT 2:00 P.M.

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

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

<p><b>1453 TIME CERTAIN: 2:00 PM</b> – Appeal of Eric Rystadt and Hans Vatheuer, applicant, against the Hearings Officer’s decision to deny a two lot partition with an open space environmental preservation tract located at unaddressed Council Crest Extended and SW Fairmount Blvd (Hearing; LU 07-113299 LDP ENM)</p> <p><b>Motion to tentatively uphold the appeal, over turn the Hearings Officer's decision, and adopt the revised findings and conditions of approval:</b> Moved by Commissioner Leonard and seconded by Commissioner Adams. (Y-4)</p>	<p><b>Disposition:</b></p> <p><b>TENTATIVELY UPHOLD THE APPEAL AND OVERTURN THE HEARINGS OFFICER’S DECISION; PREPARE FINDINGS FOR JANUARY 9, 2008 AT 9:30 AM</b></p>
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At 2:22 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.

**December 5, 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.]

**DECEMBER 5, 2007            9:30 AM**

**Potter:** -- are cared for. They have a roof over their heads. They have caring adults in their lives, and they have a quality education that they will be successful human beings. Each week, we invite folks in to talk with us. Today we have celeste jackson, a senior at jefferson. She is the senior class president at jefferson and a member of the mediation team. And tyrone white. Tyrone is the student body president of jefferson high school. He's the captain of the basketball team and an honor student, which earned him the howard cherry award that goes to student athletes who ex; in academics as well as their sport. Celeste and tyrone, would you please come forward? They also have some supporters with them from jefferson. Would all the young people from jefferson stand up, please, just to be recognized? Let's give these folks a hand. [applause]

**Potter:** Just den pie yourself when you speak, and either one can start.

**Tyrone White:** I'll start. My name is tyrone white. I am the student body president at jefferson. I would like that thank you guys for giving us the opportunity to be here, and I would like to thank you personally for picking jefferson to put your office in for a week. Not only does it help us, but it brings more of our community to our school. So to the left of me is my cousin, celeste jackson. I'd like to pass it over to her.

**Celeste Jackson:** My name is celeste jackson, once again, and i'm a senior at jefferson high school. There are four academies at jefferson high school. I'm a student if the science and technology academy, also a member of the jefferson high school action team, a group of over 20 jefferson students and teachers, school administrators, parents, community members, and local business owners and city hall staff who have been meeting over the past three months to plan for january 14th through 18th, 2008. This is the week mayor Potter will be moving his office into our high school. I am here today to thank mayor Potter for responding to our invitation to bring city hall to jefferson but also to make sure that each of you also spend time with us at jefferson during this week. We media to come to jefferson and meet us in person. We need you to come to jefferson and hear our voices and get to know us. We need you to come to jefferson so we can get to know you as well. We want you to teach us about our government and tell us how we can turn an idea into law and how we can express our opinions in a way that will make a change or how we can become leaders and sit in your seat one day. [laughter]

**Jackson:** The jefferson action team has been working hard to create an exciting week of events that allow us to listen and learn from each other. You will receive a detailed schedule of events next week, and we hope you will make room for jefferson in your schedules. I am also a member of a group called reap, reaching and empowering all people. I'm here on behalf of all the students of reap, many of whom are here today which include sharee bowl, sharee mafita, sidney brazil, noah nelson, sidney nelson, and brandon bean. We want to bring your attention to an event we are organizing for the first day of the mayor week at jefferson. On january 14th, 2008, from 10:00 to 1:00, the reap students invite you to a student-led tour of the school, a student showcase, assembly,



**December 5, 2007**

and witnessing circle. Although we understand this is a big time commitment for you, we hope you will make time to join us to see the real jefferson. Although we want you to hear our voices and to understand that we have a voice that is worth listening to, we want you to get to know us and then help us problem solve about how we can overcome challenges and meet the goals we are striving for. We hope you can make it. Here is a written invitation in detail of the special events that morning. Thank you very much for this time. And I look forward to seeing you at jefferson.

**Potter:** Thank you, celeste and tyrone. For the general public, not only my office will be moving to jefferson for that week and i'll be holding meetings there. On friday, i'll be delivering the state of the city speech at jefferson. It's going to be an exciting week. These folks have a fun, full-parked week for people. I know that most of the commissioners have committed that they will be out there at various times to meet with you. We're going to have a parent night also and at least one game, I understand, that we're going to be attending. So hopefully we'll have lots of participants, and I think, celeste, you really hit it on the head that we can learn from each other on this, and I think to see the real jefferson, people are going to be so impressed. When I was out for the reap awards, I was just so impressed with the quality of the young people. Jefferson is a great school and has got great students and a great faculty, and I think you've got one of the best principals i've ever met. So thank you very much. Any comments from any of the other commissioners?

**Adams:** I see some familiar faces in the group. I was principal for a day at jefferson, and i'd concur with the mayor's comments that jefferson is on the rise, and i'll be out there as well, so I look forward to seeing you.

**Potter:** Thank you. Let's give our jefferson folks a good hand. Now, you folks from jefferson don't really to stick around for the next hour and a half or so unless you want to learn a little bit more about civic government.

**Saltzman:** Might get used to it.

**Potter:** Thank you so much. City council will come to order. Karla, please call the roll.

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

**Potter:** I'd like to remind folks that, prior to offering public testimony to city council, a lobbyist must declare which lobbying entity he or she is authorized to represent. Please read the first communication.

**Item 1425.**

**Tom Feeley, Office of Management and Finance:** Good morning, mr. Mayor, commissioners. Tom feely, the office of management and finance. We're here to briefly celebrate a very important achievement on behalf of our city fleet operation. They have been named the ninth best public sector fleet in north america by "government fleet" magazine, ninth out of 38,000 public sector fleets in north america. So this is a really great award. We were in the top 20 last year or the top 100, but we made number nine this year, and our goal is to do even better next year. John hunt's former fleet, city of fresno, is number seven, so we definitely want to knock them off next year.

\*\*\*\*\*: Boo.

**Feeley:** This is testimony to john hunt, city fleet manager, who's the catalyst for significant change at city fleet as well as the men and women of city fleet, many of whom are represented today. They're hiding in the back right now.

**Potter:** Could we have those folks stand up?

\*\*\*\*\*: Sure.

\*\*\*\*\*: These are the folks that made it happen. Could all the city fleet people please stand up to get a --

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

**Feeley:** I just want to tell you some of the criteria that were used in the award determination or accountability, use of technology, collaboration, staff development, quick and efficient turnaround. You've got a copy of the article in front of you as well as a press release and an announcement of

**December 5, 2007**

the open house at city fleet tomorrow from 11:00 to 3:00, and it is finally -- in the award itself, the little notable accomplishments listed by the magazine for Portland were monumental change is the city Portland's most noteworthy achievement/to operation, customer relationships built by asking customers for service evaluation, analyzing the data, targeting large improvement opportunities, and building trust. So i'm very proud of them and the work that we've been able to do. I so, 15 years ago, I was a very unhappy customer, and i'm proud to say that our customers are reacting very positively these days, and I think really good things are happening. I want to give, like, 22nds to john to acknowledge his staff, and then we'll have the mayor present the award.

**John Hunt, CityFleet Manager:** Just very quickly, i'd just like to say, mayor and the council, I couldn't be any prouder after group of people. Coming here just cold, I mean, certainly I was told that there were a lot of things that needed to be turned over and changed, and you really couldn't do the things we've been able to do in such a short time if we didn't have the staff that we have. And certainly, with your support, we couldn't do the things that we've been able to do. I mean, just huge things. And we'd just dearly love to have you come out tomorrow during the open house and actually look at the new fully automated fueling system, a new facility we have put together for our body shop, and a lot of the newer technologies with computers and things that we have running and would just love to show that to you. Anyway, I just wanted to thank you and certainly thank our staff. I'd love to have them all come up in front here actually and have you shake their hands, if you wouldn't mind.

**Potter:** Come on up, folks.

**Hunt:** They're the ones that made it happen, so i'd love to have them come up here. I'd like to point out city fleet is at 2835 kirby, not only inviting the city employees but also our general public to come up.

\*\*\*\*\*: We appreciate your support.

**Potter:** Thank you all.

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

**Potter:** Please read the next communication. When you speak, state your name for the record, and you have three minutes.

**Item 1426.**

**J.D. Cook:** Hello. I'm jeff cook. Well, men, I played by your unconstitutional, un-american rules, rules by which this body threatens to turn our city that we've come to love to call little beirut into little beijing, and i'm finally here to petition my government for redress of grievances. I cannot presume to speak for all 500,000 living souls in the city, my brothers, sisters, residents, citizens, but I do say I will speak up for them. Today I come to complete the journey that I began on the 31st of october, to speak for the dead. It's something i've seen again and again in my decade here in Portland, intersections after intersections, perhaps hundreds in all, throughout our city's residential neighborhoods in north, northeast, and southeast Portland absolutely uncontrolled intersections. Sadly enough, i'm not a professional researcher, but indeed I should not have to be such. But neither the police bureau, who issued no citation, nor the "oregonian," the so-called paper of record, could provide the least bit of information as to the names, not even the tools by which to find them.

Instead I rely on the memory of a fleeting article providing the pertinent facts. Here's where you turn to your handout. About 2005, 2006, an elderly couple in a sedan, 25 miles per hour, a younger man in a pickup, 25 miles per hour, zero stop signs at that intersection. This is what happens. Two dead sadly. The names of these two souls are lost now in the midst of time, their voices forever silenced by a or able event. One wag told me that, in seattle, everyone knows the law about these up signed intersections but i, for one, will never expect my fellow citizens, Portland drivers, to go around town with a seattle attorney in the passenger seat. What this incident represents is the self-same thing which is among the leading causes of accidents, now called crashes by the national highway transportation safety board, which its failure to signal. Not on the part of the drivers. The

**December 5, 2007**

failure to signal is on the part of this city. It is the same malignant negligence by which this august body now has blood on its hands. The only certain detergent that must be applied to these blood stains is the simple solution of signing every intersection no matter how low used the streets, no matter how unimportant the neighborhood. When at last, men, you have done the right thing, I will be among the very first to leap the walls and swim the moats and come to tell you, well down, thou good and faithful servants. But until will then, every time I hold audience with you, not you with me, just by my sight, you will understand that it's tame for another trip to the woodshed. Thank you. I will be back.

**Potter:** You want to take the sign with you?

**Cook:** Oh, i'm sorry about that. I thought you may need it for future reference. Thank you.

**Potter:** Please read the next communication. Good morning.

**Item 1427.**

**Mary Ann Schwab:** That's a hard act to follow. Greetings, gentlemen serving the council. My name is mary ann schwab, civic leader, member of the sunnyside community renovation committee made up of three board of trusties from sunnyside, united, century methodist church and the sunnyside neighborhood association. Did you know that, on november 12th, hgtv.com, slash, change the world, comcast channel 67, nominated 10 cities in the united states to be possible recipients of their change the world, start at home competition? Portland is one of those 10 cities. If Portland wins, we will -- wins, we will be able to do one of three things. Renovate the church where the children's club, a day care center, is now located in the basement. This historic 1922 building will get a new roof, the chicken wire windows replaced, the 14-foot ceilings painted. We're really excited, because this is where the children play during rainy weather. Currently there's nine buckets up there collecting rain on the hardwood floors. The second phase will be to rehabilitate a craftsman house for a special needs family. Third, we will actually construct an outdoor classroom for Portland public school sunnyside environmental school for their horticultural program. The gardens are beautiful. All three projects are located in inner southeast Portland. Hgtv will announce the winners at the rose parade in pasadena on new year's day. For details, again contact hgtv.com, backslash, change the world and vote daily until december 21st. Everyone i've spoken with in the sunnyside neighborhood association is delighted. We hope that Portland will be one of the five winning cities. Again, please vote daily until december 21st. Each of you present here and those watching the city council hearing can truly make a difference in the lives of children living in Portland simply by voting. How did Portland get selected? Last summer, I contacted rebuilding Portland together for permission to use their volunteer liability waiver. Community volunteers applied 100 pounds of plaster to the broken glass, used 80 gallons of recycled metro paint, and replaced 220 missing floor tiles. The broken windows are still on our list. Michael asked to see the historic building because he was aware of an h g tv searching for cities to join their contest. Other good news, last summer, in response to the children's club state recertification requirements, it is sunnyside neighborhood association joined with a partner to purchase floor tiles. Due to the water, rain overflow three years ago, the adhesive has been compromised. It's been recommended -- it's not recommended the 12-inch tiles be put. It's cost lee, \$2.50 a square foot. We're asking, we're begs, we're pleading with people with their kicker checks and open hearts to please donate \$2.50 per square foot. I'm just counting the days till new year's day. Again, vote hgtv.com, change the world. Because in the meantime, in our basement, we have all these umbrellas keeping the rain off of the gym floor. Thank you. Any questions? How are the children today? They're wet up in the gym nation yum. Thank you.

**Potter:** Thank you, mary ann . Is that it?

**Moore-Love:** That's all the communications, yes.

**December 5, 2007**

**Potter:** We'll move to the consent agenda. Any commissioners wish to pull any items from the consent agenda? Any in this room wish to pull any items from the consent agenda? Please call the vote.

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

**Potter:** Aye. Please read the 9:30 time certain. Shall we read them all together? Well, let's go ahead and just take one at a time. Item 1428.

**Item 1428.**

**Casey Short:** Good morning, mr. Mayor, members of council. I'm Casey Short, financial planning manager. We're here to act on the fall budget monitoring process action that we do this time of year. The bump adjusts budgets with a decrease or no change in appropriation or the minor supplemental budget, which is funds that increase by 10% or less. This year, there's a total of \$54 million in 19 funds. The largest change is in the general fund at \$32.7 million. Other significant funds with changes are the federal grants fund, the general reserve fund, housing investment fund, and parks capital fund. We also have in the fall bump performance reporting based on last year and how things are going so far this year, which is included in the large report that we provide for you in conjunction with the fall bump. It's about 200 pages. It's a big thing, but it does have a lot of very good information in it. The focus of the bump has been on the general fund where there was an additional \$6.7 million available above what we'd budgeted in beginning balance. The council agreed to set aside 25% staff for a capital project. The capital project was continuing contribution to replacement of the computer-assisted dispatch system at the bureau of emergency communications. That was about \$1.7 million that's going into the general reserve for the rest of this year. We also found another -- not found, but there was an additional \$750,000 available in a transfer from the housing investment fund, and the remaining money, some \$5.7 million, was available for the council to fund programs. We do have an ordinance that reflects the decisions that have been made or the discussions that have been made to date on that. Some of the larger items include \$818,000 for the bureau of housing and community development for several different projects, also includes another \$200,000 for shelter beds in bhcd. There's \$710,000 for the project 57 voluntary substance abuse treatment project, some of which goes to police and some to bhcd. There are numerous other programs and individual projects that are being funded here. That's about it for my overview. I'd be happy to answer any questions. I would like to note that we discovered a technical error yesterday in two of the appropriations. We filed a substitute with the auditor's office yesterday to replace those two pages to reflect the actual amount of contingency rather than the inflated amount that we had listed prior to that. With your forbearance, I'd appreciate a motion to substitute the replacement that should have been distributed to your offices yesterday.

**Potter:** Is that on 1428 or 29?

**Short:** 28 on the minor supplemental budget for the general fund.

**Saltzman:** So this action restores 1.8 million to the contingency?

**Short:** Yes, it does. Following the council's commitment to do that in the budget process last year, adoption in June for the 07/08 budget.

**Saltzman:** I would move the substitute language.

**Leonard:** Seconded.

**Potter:** Call the vote.

**Adams:** Aye.

**Leonard:** Aye.

**Saltzman:** Aye.

**Sten:** Aye.

**Potter:** Aye. Any questions on 1428?

**Leonard:** Yes. Actually, not so much questions as clarifications, particularly on the police 006 service coordination team. I just wanted to -- there's been some confusion and misunderstandings,

**December 5, 2007**

including with myself, about the impact of the reduction of their request that was originally \$840,000 that's dropped to 376. This is on the service coordination team, the program that supplements project 57 and is intended to be the effort to effectively replace what the drug-free zones were doing with actual real treatment of the offenders versus moving them to another neighborhood. Yesterday I asked that somebody from the police bureau would be here so we can understand what the numbers represent and why they can accomplish what they say they can accomplish with this drastically reduced and then maybe set the stage for the upcoming budget request. I see lanae is here and mike.

**Potter:** Please come forward, folks. An assistant chief, lanae burg --

**Leonard:** I also see the guys on the ground here. I don't know if they want to come forward as well. Maybe I could set the stage for this a little.

**Potter:** Go ahead.

**Leonard:** When the drug-free zones were not renewed by the council, of course each of us got various amounts of feedback, and some of my friends in the police bureau were less than pleased that not only I supported eliminating the drug-free zones, I actually pushed for it. And the reason was because nobody ever adequately explained to me how a prostitute that's told can no longer be a prostitute between the intersections of 102nd and sandy and 122nd and sandy just doesn't move to 135th and sandy or to 17th and sandy and perform prostitution. And the same goes for drug dealing and buying. So in my view, it was a program that made those people feel pretty good that lived within the boundaries, but it did nothing to actually address the issue of prostitution and drug dealing citywide. So all of a sudden somebody would be excluded from a drug-free zone in a certain area of the city, and then we'd start getting complaints here from wherever they moved to. For me, it really wasn't effective. It moved the problem around. So I asked my friends in the police bureau that, instead of being angry with me for voting for this, help me come up with a program that actually deals with the problem. And to their credit, mayor Potter and bureau of officers' credit, that's exactly what this program does, intended to build on the excellent results we've seen with project 57 whereby the city represents jail beds from the county, 57 jail beds, and we use those to get individuals' attention heretofore who had gotten nothing more than a citation and just blew the police bureau and the justice system off. They now end up in jail and are given an option to go into treatment beds. What we found is that, while we have enough beds to put people in, we don't have enough treatment beds then to refer people to, so these offenders that are reoffending walk out and continue to reoffend. This program is designed to replace what it was that the drug-free zones did. And so my concern is that we give you, the police bureau, the resources necessary to do that. And so when the original request came in at \$840,000, I understand that \$840,000 did that, and then it was reduced down to \$376,000, and I became concerned that we didn't have the resources then to actually replicate what the drug-free zones did. In a conversation I had with lanae yesterday, at least e-mails, she told me that you do think that you can cobble other resources together, and I wanted to get that on the record so, when we talk about this in the upcoming budget, council members don't think that, because we only approve \$376,000, that isn't the only money you need for the program.

**Lynnae Berg:** Lynnae berg. Thank you for this opportunity to speak today. How we're filling that gap with internal resources is with \$44,000 that's coming back to the bureau from the codes hearing office.

**Leonard:** The gap between the \$376,000 and the \$840,000?

**Berg:** Yes. It's for the overtime money that was cut.

**Leonard:** So you need that money for the program.

**Berg:** Yes. An analysis of the money that council gave to the police bureau for backfill for the crisis intervention team training, we haven't used it to the extent that we thought we would, and we think there is about \$100,000 of capacity had that fund that will bridge through the end of the fiscal

**December 5, 2007**

year for the overtime that allow officers to give focused attention in the areas where this is going to be implemented. So next year, when we ask in the budget for the upcoming 08/09, we'll be asking for that money, because these resources will be gone.

**Leonard:** Good. I just wanted to get that clear so the folks here understood what we were doing. And then I wonder fit would be appropriate to just briefly explain what we are buying for this. I had the opportunity to go with mike reese and matt and jeff over to volunteers of america, who are the -- who is the group we're going to be contracting for this particular treatment service. They deal with the, as I understand it, the most hardened drug and substance abuse and even those involved in prostitution. Is that right? And it was pretty impressive, what you're planning to do with that. Maybe just let the council know what we're going to be getting for this.

**Berg:** Certainly. I really think that all the elements of that program or the hallmarks are good public policy, because we have a systematic approach to what has been a difficult population to serve and impact. So there will be day treatment at volunteers of america, which will allow for 30 placements currently, and then we'll look to see if that's enough capacity. It will allow for expansion of the housing natural response which will allow for what they call dry beds, alcohol- and drug-free housing as well as some temporary housing for folks who are in the day treatment. It allows for a parole and probation officer who will be focused with a caseload of the folks that are identified as chronic offenders, an additional district attorney to help us move some of these cases forward throughout the system, and then a program manager who will be the person who will coordinate what has been on the shoulders of central pretint for vsat and p 57 and now is going citywide to sustain it, coordinate it, make sure we're going good stewards of the program. And then overtime money to be able to focus attention on chronic offenders 24/7.

**Leonard:** And of course again the idea is to build on the success of project 57 and to remind the council and those listening, since we've instituted the program, project 57, where we actually put people in jail that otherwise used to get tickets and hook them up to treatment, we've seen the top 300 offenders in Portland who are the ones in the system burglarizing, robs, selling drugs, victimize be people, the arrest rate dropped 71% as a result of this exact same program. This allows us to expand it and actually get to a tougher population that is the core of a lot of crime that occurs. This is just one of the best approaches, I think, that we could take versus just throwing people in jail and throwing away the key or hiring more police to arrest people. It actually gets to the core issues of why they're offending and, as a result, we've seen crime rates in Portland drop. And I think a lot due to your excellent work. I really appreciate it.

**Berg:** We really see public safety issues around this as a shared responsibility, and there is a component in this project for involvement with the neighbors, neighborhoods, businesses to do some problem solving around all of these issues with neighborhood watch, foot patrols, and other strategies.

**Leonard:** Thank you very much. I don't know if matt has anything to add.

**Matt Engen:** I know that there is a tremendous amount of responsibility on our shoulders with this plan you've aloe -- money you've allocated. Every monday we sit down, the police, the d.a., the jail, parole and probation, treatment providers, cascadia, the whole range of services, and we work collaboratively together to do the best we can to fix people. Some people need to be in jail a while to get the message. We help them get into housing, help them get employment, and help them beat their addictions. Most of these folks aren't just a single addiction. It's alcohol and drugs and/or mental illness, very difficult people to help. But we've been successful in doing that and will continue to do so as best we can.

**Leonard:** It's no coincidence that sergeant matt I know gun and sergeant jeff meyers are here today on project 57 and also are the two officers that consistently sit in our housing enter diction task force that goes after these really bad, misbehaving, single-rook occupancies at hotels like the grove.

**December 5, 2007**

They're the initiators of both of these programs, two outstanding officers, and I really appreciate your work a lot.

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

**Engen:** Your support of them has been fantastic, and it's been noticed. Thank you very much.

**Potter:** In the service efforts and accomplishments that just came out from the city auditor's office, it noted that Portland was one of the few large American cities that crime is continue tag go down while many other cities are going up. I think these kind of strategies make a huge difference. Everybody in policing understands that drugs drives crime in Portland. So the more we can eradicate the need for drugs, the more we eliminate crimes. And so these are the kind of programs I think that's going to really do well for our community and the police bureau into the future. Thank you, folks, for what you do.

**Engen:** Thank you.

**Leonard:** If you don't mind, I wanted to point out one other thing. I wanted you to see what you're buying for the \$244,000. Karla, if you'll put that up on the screen for the 244 allocations for 24-hour restrooms. I previously passed this out to the council, but hopefully we'll see here on the screen a design.

**Sten:** Mayor, I didn't know you wanted us to still lobby our requests?

**Leonard:** Sometimes the public doesn't understand what it is.

**Saltzman:** We know you're misunderstood often.

**Leonard:** Thank you.

**Adams:** I'm hearing voices. I don't know about you.

**Leonard:** Increase your medication, commissioner Adams.

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

**Adams:** I'm hearing Russian now.

**Saltzman:** Want us to hold ours up?

**Moore-Love:** You might have to. Sorry. It's not coming up there.

**Leonard:** I just wanted the folks at home -- can we get the camera to tsunami in on one of those? What you're buying for those is as many of these restrooms that we've had designed by the same designer that's worked with the safe committee in designing restrooms for them, as many of these European-style restrooms as we can possibly produce for \$244,000, and we're hoping four or five, and to have them installed in areas of old town and downtown that will serve the populations there the best. And some of those are populations that currently, frankly, don't find restrooms and relieve themselves in particularly old town. These are designed to be small, compact, nonattendant required. They've actually been designed with some input from the police. You'll notice on the bottom there are louvers so that they're angled in such a way you can't look up, but the police can look down and see how many legs are in there. If there are more than two legs, then the police have reason to be concerned. They're also designed to be washed from the outside. You'll notice that underneath they're open, and the idea is to not make it as private as some restrooms are for security reasons and then also to allow the crews that will clean them to clean them from the outside. So they should be easy to maintain. You'll notice on the door our designer has incorporated some uniquely Portland features. This one's a picture of the steel bridge. And so we're actually hoping the one thing that will happen that you're not seeing here is to have a solar panel on top that will charge during the day and illuminate the restroom at night in the evening hours.

\*\*\*\*\*: Great.

**Leonard:** I'm hoping you'll see the first one of these shortly after the new year in old town and then, shortly after that, as many as we can buy for the money you've generously agreed to support today for the downtown area. Thank you.

**Potter:** Other comments?

**December 5, 2007**

**Saltzman:** I have a question maybe of commissioner Adams. I see sue keel is here also. In a discussion I had recently with bill hoffman and roland from your office about the enhanced burnside/couch fallback option, the enhanced burnside option -- excuse me -- there was discussion about a project manager being hired in january to oversee that work, and I guess i'm curious. Is that money in this bump or is it otherwise being taken care of?

**Adams:** The council set money aside for both preferred alternative couch couplet and then also enough to complete the initial design work of the enhanced burnside/couch. So my understanding is we have the resources at hand to --

**Saltzman:** Oh. It's in here.

**Short:** Fy might, commissioner Saltzman, there is \$129,000 in the bump ordinance that is before you for the west burnside project.

**Saltzman:** Which I was told -- I mean, I was told there was going to be a project manager for the enhanced burnside. And that's one of those positions?

**Short:** Yes. There is a project manager also being added to pdot's employee list, authorized positions list, among a number of positions that are being added in pdot. I don't know for sure that that's for that project, but I expect it is.

**Adams:** It is.

**Saltzman:** I see heads nodding behind you. Thanks.

**Potter:** Other questions? Do we have anybody signed up to testify on this matter?

**Moore-Love:** We have one person signed up, michael daner.

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

**Michael Dehner:** I'm michael dehner with local 483. I want to appear here today to address one small item, not unimportant to my folks, which is the elimination -- proposed elimination -- of a permanent full-time position in the parking meter technician classification. Cutting this position would be shortsighted and detrimental to the city's economic vitality for three reasons. Parking meter system is growing. The meter shop is badly understaffed and has been for some time. And the position is essential to protect the city's investment in its parking program. The park and pay station system has been and will continue to be in a state of constant expansion. The city has funded seven meter technician positions since 2002 or so, but since that time the park and pay stations have expanded into ohsu, pill hill, south waterfront, the lloyd district, the bus mall, and the north pearl district, to name a few examples. Additional projects are already planned for southeast m.l.k. And northeast broadway and weidler near lloyd center. In addition, there's an abundance of construction downtown, as you all are well-aware, and that is not going to end anytime soon. That construction does have a direct and substantial impact on the meter technicians' workload with a constant reshuffling of machines being broken out, moved, and reinstalled due to construction. Despite this growth, the city has understaffed the meter shop for several years, and the meter technicians have been expected to do more and more work with less and less resources. Each meter technician is responsible for approximately 350 meters or the equivalent of 350 meters each, not to mention providing customer service for all users of the parking system. Currently meter technicians are frequently working through their lunches and breaks despite my council to the contrary because they are dedicated to providing the level of customer service that the public expects and deserves. To comm bound this critical understaffing of the meter shop, there likely will be another retirement of one of the senior of six meter technicians within a year, and history has shown it generally takes as much as two years for a new hire to reach journey man status in this highly technical position. For the past several years, the meter shop has carried a vacant position which was sorely in need of being filled. The position now proposed to be cut represents approximately 15% of all the funded parking meter technician positions. It's one out of seven. And in fact this should have been filled long ago. Indeed a recruitment was undertaken and a candidate previously was selected for this



**December 5, 2007**

vacant position, but at that point a decision was suddenly made that -- i'm sorry. I'm running a little bit long here, but i'll be very brief. The position was suddenly determined -- it was suddenly determined that the position would not be filled and the candidate was not hired. This decision was made at about the same time that the bureau of maintenance directorship split from one position into two full-time permanent, full-time codirectors staff bureau. The parking meters are an important and rich revenue source for the anticipate. Anticipated 07/08 revenues projected to be somewhere around 13 or \$14 million. According to binding city policy t.r.n. 3.102, quote, the first priority for meter district revenues is to pay the capital and operating costs of the meter system, end quote. This includes the cost, quote, to operate, manage, maintain, and enforce the system, end quote. It's pennywise and pound foolish to cut this one meter tech position, and i'm very concerned that this is part of the package now before you.

**Potter:** Thank you. Is that the only person?

**Moore-Love:** That's all who signed up.

**Potter:** Any questions from the council? Please call the vote.

**Adams:** Aye.

**Leonard:** Thank you, everybody, for the excellent work/ideas that went into this proposal. I think, in total, this proposal makes Portland a much more livable city and addresses some real fundamental needs, so I really appreciate all the hard work that's gone into this from all the council offices of the mayor and the staff. Aye.

**Saltzman:** This is 1428?

**Potter:** Yes.

**Saltzman:** Aye.

**Sten:** It's a good package. I think strategic investment into things that are ongoing projects as opposed to starting new things, I appreciate the focus on prevention and response as a different approach than drug-free zone. I think it will actually be harder, but I don't really believe the drug-free zone was working. To the extent it was working, it was pushing the problem from one place to another, and that's perhaps better than nothing, but I really like the attempt to aspire to actually solve some problems, get some people off of the street. Not unrelated to that, although they're completely different issues, is the continued investment in the homeless strategy. There's a very small grant that I think will be very important to try and help people get onto disability more quickly. We're finding people on the street are often eligible for disability, and it's a two-year process to get there. That will help a lot. We made an investment in self-enhancement that we wanted to get to in the last budget that didn't happen. Trying to invest in our children I think is great. This is a great set of investments. Also mention the transportation projects and some of the sustainable work that dan is doing. I think this is a good piece for it. Want to thank the mayor for leading the charge, and I vote aye.

**Potter:** Likewise, I think that our staffs did a stellar job on this, and I want to thank the commissioners. This was a collaborative effort, and people may have questions about how the money's being distributed, but I think that the word from this side of this podium is that it's being put to things that are going to empower and make our communities better. And so I also want to thank, on my staff, ingrid fish and austin raglione. I thought they did a superb job, and they stuck with it as did the other council offices until we came to this. I appreciate that effort, and I think this is a good model on which to look at our 08/09 budget as well. So I vote i've. Please read 1429.

**Item 1429.**

**Casey Short, Office of Management and Finance:** Casey short again. The major supplemental budget is different from the minor supplemental budget that the council just voted on in that state budget law requires a distinction between the two for any funds that increases its appropriations by more than 10%. We had 11 funds, as Karla mentioned, that met that threshold for a total of 76.7 million. The principal difference here is that a hearing is required by the Multnomah county tax

**December 5, 2007**

supervising and conservation commission. That hearing was held last thursday, and we have received a letter from morning from t s.c.c. Attesting to the fact that the major supplemental budget is in order. The 11 funds involved in the major supplemental budget include the sewer operating fund, which is the largest here of \$41 million, largely for carry-over of funds to continues big pipe project which ran into some troubles with the boring machine. We understand that much of the time that was lost back in the last fiscal year has been made up, and we're projecting that, by january, it will be back completely on schedule. The transportation operating fund is the next biggest at \$20.8 million. The majority of this, some 17 million, is to recognize proceeds from a bond sale. The other funds include solid waste management, taking funds from contingency, hydropower operating fund to do an unanticipated repair at the Portland hydroproject up at bull run, carry-over funds in the housing community development and home grant -- grant funds. We have additional money to renew the grants. That's all I have for a presentation. I'm happy to answer any questions.

**Potter:** Questions?

**Adams:** Nope.

**Potter:** Is there anyone signed up to testify on this matter?

**Moore-Love:** We have one person signed up, michael dehner.

**Michael Dehner:** I will stand on my prior comments unless there are any questions. Thank you.

**Potter:** Is there anyone here who wishes to testify to this matter that did not sign up? Call the vote.

**Adams:** Aye.

**Leonard:** Aye.

**Saltzman:** Well, I did want to remark perhaps more accurately on the previous ordinance, but I wanted to commend everybody who worked very hard on this fall bump, including our chiefs of staffs, and I know they worked hard to get a package we could all support. I also am very pleased to state that omsi, in return -- well, not in return but as a token of appreciation for the money we are giving them has agreed to provide five omsi camp scholarships per year for three years to children in foster care. So I wanted to thank omsi for that commitment. And i'm also pleased that self-enhancement will be receiving money. They're also going to be further targeting getting children in foster care into self-enhancement programs with this money. And it's a great package, and i'm pleased to vote aye.

**Sten:** Thanks. I want to thank jim in my office, who worked very hard on this with the rest of the team in the building. I guess I would say, in summing it up, I think of all the packages i've seen in a while, this is perhaps the one that's most focused on causes of what's going wrong, and I think that's the right approach. Aye.

**Potter:** My statement from the previous stands. I vote aye. Please read 1430.

**Item 1430.**

**Casey Short, Office of Management and Finance:** Last item for me today. We're moving from actions in the current fiscal year to the projection for the coming fiscal year. I'm pleased to report that the financial forecast for fiscal 2008/09 reflects the fact that Portland's economy continues to be doing quite well. We're able to note increases in all the four major revenue categories, property tax, business license, utility license, and transient lodging. This all translates into an increase above last june's forecast of \$7.9 million in ongoing funds and 13.4 million in one-time revenue, which is added to the 13.1 that we projected in june for a total of \$26.5 million we expect to be available for the council's consideration in the 08/09 budget process.

**Adams:** 26 one time and what was ongoing? 7.9 million.

**Adams:** When is the next update?

**Short:** There will be an update in march just prior to the mayor's proposed budget.

**Adams:** Thank you.

**December 5, 2007**

**Short:** With me is drew barden, city economist, who I think has a few more explanatory comments.

**Drew Barden, Financial Planning:** For the record, my name is drew badeon. I'm an analyst in financial planning. I'm just going to go over the briefing sheet that we did separately with all of you. In this forecast, revenues are up substantially. That's because the economy is good. In addition to business license, transient lodging, and even utility license fees being up, property taxes are better in this forecast because we had a very good year this year.

**Adams:** Could you remind the viewers and us how property taxes increase above forecast given measure 5?

**Barden:** The way that property taxes increase beyond the 3% on existing properties that's allowed under measure 37-50 is through new construction. For the current year, we had a substantial amount, a little over two percentage points, of new construction outside urban renewal districts. We haven't had anything like that in the past four years. We've been bumping along at right around 3% or a little bit less. So there was quite a bit of new construction which, in essence, moves the whole revenue line up as you start off from a new base, which is kind of what you would expect to see in a cycle like this at some point. The assumptions that underpin the forecast are for c.p.i., for colas and health care, which are standard assumptions. The health care assumption comes from aon, the c.p. It's the best estimate of what we think the number will be. The difference in this forecast versus the previous one is that the city's last best offer to the Portland firefighters has been included in or sequester in the forecast and setasides, and that is \$2 million in 08/09, rising to \$3 million ongoing in 09/10. Requirements are a little bit higher in this forecast due to inflation, the inclusion of the l.b.o., and archived debt service. But the sum total is like mr. Short said. We think that, in splitting the amount of resources above current appropriation level requirements, it can be split into about 7.9 million ongoing and 26.5 million total at one time. The risk to this forecast is that the cycle that we're this is getting long in the tooth and it's obvious to everybody that that's the case. The principal risk is recession. Like we said in briefings, everybody expects a recession, but nobody is formally forecasting one. The news that keeps filters this is very mixed. It's hard to tell whether there's going to be a slowdown in growth or whether problems with the oil prices around \$100 a barrel, the subprime problems, geopolitical problems, the falling dollars is going to push the economy over into recession. The other risk to this forecast would be a substantial increase beyond what is in the city's last best offer, and that would reduce the 7.9 million. We still don't know exactly what the last best offer from pffa looks like. We're still costing it. But it is substantially above 3 million. I'd be glad to take any questions that anyone has.

**Saltzman:** What's the formal definition again of recession?

**Leonard:** Two quarters of negative g.d.p. Growth in a row. Ledge len I thought a recession was when your neighbor was out of a job and a depression is when you're out of a job.

**Barden:** Anecdotally, that's what people say.

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

**Leonard:** But I do think it's --

**Leonard:** But I do think it's important to note that economic models just simply are built on a cycle and, as I recall econ 101, they're about seven years or so. So it isn't like you're predicting something that isn't going to happen. I mean, it is a normal part of the economic cycle to have recessions and then come out of recessions and have boom times. And i've been disturbed for some time about the length of the growth of the economy, as I know a lot of people in the national scale are, particularly with the amount of credit that consumers appear to be relying upon and then with some of the issues with the home variable rate mortgages that are going to come due here soon. The folks at the national level seem to think, when that bill comes due, it's going to drove us into a recession which we are just not immune from. I mean, we obviously have some benefits here that other cities do not have, and thus we continue to see our property values rise or at least not fall, but it's inevitable we're

**December 5, 2007**

going to get hit, and I would hope in this upcoming budget we anticipate that. I think that's your message.

**Adams:** Where is the growth and in what sectors are we seeing the greatest growth in business license fee revenues?

**Barden:** I've never had any data by sector. My presumption would be financial services and retail.

**Adams:** And the growth in the utility franchisee is coming from?

**Barden:** In this forecast, principally from electric rate increases and telecom, miscellaneous telecom. Northwest natural gas is expected to be down slightly year-over-year because of the rate decrease that they just put through, and of course water and sewer are flat funded, so to speak.

**Adams:** Then what's the explanation of the transfer from \$761,000 to 2.9 million?

**Barden:** Come again. I don't --

**Adams:** On your little recap here, it says that the difference -- the forecast was \$761,000.

**Barden:** Oh. The general fund has loaned the school surcharge fund -- will have loaned by the end of this year \$300 million to help with the timing of the business license surcharge monies not being able to pay the schools because of a cash flow problem, the way the taxes are collected and when the need to disperse the money occurs. So next year and the year after, they will pay the loan back to the general fund, and that's the increase. That's the bulk of that increase. That's all of the increase essentially.

**Short:** And in the bump ordinance, there's a million and a half dollars to make that transfer this year from the general fund, that loan from the general fund to the business license surcharge fund. We're holding in it general fund contingency right now but earmarked and plan to make the transfer before the end of the year.

**Adams:** The increase of 7.3%, house increase, remind me what the increase has been over the last couple of years.

**Barden:** I believe last year's and the year before were, like, in the 2-4% range. This year, the numbers through the first nine turnovers, so to speak, for that fund are essentially flat, showing little or no growth, maybe 2% or so. The consultant's forecast doesn't seem to reflect, at least for the near term, our actual experience. I would imagine that in march, after they've evaluated year-to-date expenditures out of the fund, if they stay pretty flat, the 7.3% will come down. It's likely that that will create a little more one-time money whether they decrease the rate of growth of expenditures in the out years, if that were to happen, it would put more ongoing money to the bottom line.

**Adams:** Thank you.

**Potter:** Drew, in terms of the cycle of boom and recession, how does Oregon and Portland do and what is the timing? It seems like that we're always a little behind, either coming out of a recession -- i'm not sure about going into one. What's your recommendation?

**Barden:** Each recession that we've had, say, since 1980 has been different. In the recession of the 1980s, when the economy was more resourced-based, Oregon went into the recession first, stayed down longer, and came out later. Then, in the early '90s, after we had this creation or development of this electronics cluster in the area, in that recession, Oregon and the Portland area didn't feel the impact of it at all hardly. It was simply a slowing of growth, but it never turned into a negative growth like you'd see in a recession. In the last recession at the turn of the century, so to speak, we went in a little later and came out later, and my suspicion is that, when we do get to this next downturn, since we are doing better now than a lot of regions in the country in terms of housing and employment growth and not being so afflicted by the subprime mortgage problem as other areas are in metropolitan areas, that we would go into some kind of a growth recession or regular downturn later than the rest of the economy and probably come out a little bit later, having gone in later.

**Potter:** Are there financial strategies used by other cities or governmental entities where they can delay going into the recession through certain financial management strategies?

**December 5, 2007**

**Barden:** I'm not really familiar with what other cities do. I would say that the financial strategy that's most appropriate is to be careful about adding ongoing requirements to a budget. The second thing would be to be well reserved so that you could use reserves to some extent to kind of bridge yourself through a downturn. Now, as the downturn gets longer, something that's long, it's more difficult to make that work. So you get to the point where you simply have to cut. There really aren't any strategies that can do much but delay or help you get through a mild recession. A regular recession or bad recession, no. I don't think there's a lot that can be done.

**Potter:** Thank you. Is there anyone who signed up to testify on this matter?

**Moore-Love:** No one signed up.

**Potter:** Is there anyone here who wishes to testify to this matter? It's a report. I need a motion and a second.

**Leonard:** So moved.

**Adams:** Seconded.

**Potter:** Please call the vote.

**Adams:** Well, I think we will need to be very wise in making the right investments with this significant additional unforecasted resource. Aye.

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

**Potter:** And concurring with commissioner Adams, I think we do have to make some wise decisions, and I think some of the decisions we made this time, in terms of focusing on existing programs, is really important. In my letter to the commissioners, I stated also the importance, I felt, for ensuring that our public safety system, particularly communications, is efficient and effective in using the one-time resources to make sure that they're well on their way to becoming the tool that our public safety agencies need to do their job. So look forward to the budget sessions and a budget next year that reflects the priorities of our community. Vote aye.

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

**Potter:** Go to the regular agenda. Please read item 1442.

**Item 1442.**

**Potter:** This is sort after unique situation for Portland. We don't do a lot of deannexation, but this happens to be one of them, even if it's a small one, and so it's caused us to look at a lot of different issues, and our staff is here to explain the process and the issues.

**Bob Clay, Bureau of Planning:** Thank you, mr. Mayor. Good morning, mayor and commissioners. My name is bob clay, supervising planner with the bureau of planning. With me this morning is brian sheehan, a planner also with the bureau of planning. I'm here because of my history with the bureau and with this particular matter and want to make it clear that brian has done all the work in terms of preparing the materials before you today in the ordinance. Last week, you adopted a resolution expressing the intent to proceed with deposit withdrawal of five properties from Portland, and this would be in accordance with an earlier settlement agreement that was stipulated by metro in 1996. So now it's almost 12 years later that we're proceeding with this action. The action then implements and finally resolves a long-standing dispute over overlapping urban service boundary on our west side in the proximity of the Washington county, Multnomah county border. The ordinance before you would approve a recommendation to favor withdrawal of these five properties, to set boundaries, and fix a time for a final hearing on withdrawal of the property from the city of Portland. I'm going to turn to brian now to highlight a couple of points in the staff report. I did want to call out your attention that there is a communication from mayor rob drake, mayor of the city of beaverton, from october 2nd of this year making this request of us as well. We've. Working very closely with beaverton staff actually for more than a year to figure out how we can make this happen. I also understand that you'll have one person testifying representing one or more of the property owners in a minute. Let me turn to brian.

**December 5, 2007**

**Brian Sheehan, Bureau of Planning:** Good morning. It's a pleasure to be here this morning, although we were joking in the back that this isn't the type of action that typically gets a hand shake and a medal at the front of the room, but be that as it may, it's an action that we've committed to take. And through the ordinance that was adopted by metro, an agreement's been put in place and, as bob mentioned, has been on the books for quite some time, so we're finally getting around to taking that action, and this is the second step in the process. The ordinance that's before you today does essentially three things and is necessary to reach the final hearing. The first is to declare your intent favoring the withdrawal, as difficult as that might be, but the second part of that is to establish the legal boundaries for the property to be withdrawn, and you'll notice in your packet that there is a legal description for the properties to be removed from the city. And then the third is to set the final hearing date, at which time we would establish an effective date for the properties to be withdrawn from the city. It's important to coordinate that effective date with the city of beaverton and the other special district providers in the area so there's no absence of services to the area. With that, we'd be happy to answer any questions that you have.

**Potter:** Questions?

**Saltzman:** Well, I guess -- so this is something that emanated from a metro u.g.b. decision?

**Clay:** It emanated from a decision actually by Portland, the city of beaverton, and Washington county. We had had a long-standing dispute over our mutual urban service boundary, and they needed to be coterminate. The boundaries were not coterminate. We had established a boundary that was further into Washington county. Beaverton objected. Washington county objected. We couldn't reach a mutual agreement. So, together, we asked metro to resolve the dispute on our behalf, so we were all signatories to that agreement. As a result of that, metro adopted an ordinance spelling out where that boundary should be. In this particular instance, this is the only one in which there would actually be a withdrawal of properties. At the time, the property owners wanted to initiate their own annexation with the city of beaverton. So that's why all of this time has expired during this period is that property owners have been fine up until now, but now they would like to go ahead and proceed to annex to beaverton. I think at least one of the properties has some redevelopment plans in mind.

**Saltzman:** So there are no other areas currently between beaverton and Portland and Washington county that are subject to deannexation?

**Clay:** That's correct. Right. That would be subject to withdrawal.

**Saltzman:** This is the only one?

**Clay:** This is the only one. Now, there were six properties, just to be clear. Five of the six have come forward with petitions to annex to beaverton. The sixth property, the smallest of the properties, has asked to just remain with Portland. They're not interested at this time in annexing to beaverton. We had quite a bit of discussions back and forth about that. At some point in the future, they may come in and ask to go to beaverton, but we're not anticipating anything in the near future.

**Saltzman:** Thanks.

**Leonard:** I would have suggested just duct taping the boundary and claiming it as ours.

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

**Leonard:** But that's fine.

**Potter:** Is anyone signed up to testify on this matter?

**Moore-Love:** We have one person, peter f. Fry.

**Potter:** Thanks for being here.

**Peter F. Fry:** Peter finley fry, 2153 southwest main. I'm here representing bob mccall, who owns three of the five properties. Two of them are commercial, one small triangle is residential, and we're trying to get all the property into a single zone. We found out about this contract between the city and beaverton and felt that that was a good opportunity to correct something and put it back

**December 5, 2007**

together again. So we do support this deannexation, and I want to thank the planning bureau staff, particularly bob clay, for helping us to get to this point. So thank you.

**Potter:** Thank you.

**Sten:** This will be the last one of these, peter.

**Potter:** Emergency. Call the vote.

**Adams:** Are we on 1442?

**Sten:** Yes.

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

**Sten:** Mr. Fry, we think you should donate your fee to a worthy cause this holiday season. Aye.

**Adams:** Well said. Substantial fee.

**Potter:** Aye. Second reading on 1443.

**Item 1443.**

**Potter:** Call the vote? Go ahead and read it.

**Potter:** Second reading call the vote.

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

**Potter:** Aye. Please read item 1444.

**Item 1444.**

**Jeff Baer, Director, Bureau of Purchases:** Good morning. I'm jeff baer with the bureau of purchasing. A while back, you heard some concerns related to how larger dollars professional service contracts -- contractors may use minority, women, and emerging small business contractors to obtain the city contracts and only later to decide not to use those subconsultants -- consultants once the work begins. The resolution before you today highlights a number of areas that we want to change, and we believe that will tighten up and prevent this from happening on city p.t.e.

Contracts. Commissioner Leonard, you had asked I bring this back in the form of resolution, which is showing here today, and I think, just to highlight a couple of the primary changes, one of which is to -- if a firm if their proposal indicates they intend to use a mwesb consultant to perform the work, they actually do that we are also asking that bureaus in the contracts that exceed \$100,000, which you approved by way of ordinance, that this indicates percent of subcontractor utilization in the ordinance itself so you can see easily the percentage of the contract value that is awarded to a minority, women, and emerging small business. Thirdly, the last change is the requirement to notify or publicize our notice of intent for sole-source contracts above the formal limit, which is at \$22,394 up to \$100,000. And that's really our formal range, and I didn't put the recommendation to go above \$100,000, because those come before you as an ordinance, and I thought that that would just suffice for the public notification as well. With that, i'll stop. I do need to make one minor amendment, and that is to add a last now therefore be it further resolved in that that resolution is binding city policy so we incorporate it into the city policy document.

**Potter:** Do I hear a motion?

**Saltzman:** Make that amendment.

**Leonard:** Seconded.

**Potter:** Call the vote.

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

**Potter:** Aye.

**Baer:** Do you have any questions? Glad to address those.

**Saltzman:** I have some questions particularly about the sole sourcing change.

**Baer:** Ok.

**Saltzman:** So any contract under this this policy between \$22,000 and \$100,000, if it's a sole source, would now have to be published first on your website?

**Baer:** Correct.

**December 5, 2007**

**Saltzman:** The idea being, if someone else thinks they can provide services, they can then come to you and say what?

**Baer:** The way it works -- and actually this aligns with our goods and services contracts in and our construction contracts for sole source. We actually publicize the notice of intent that award to a sole source. If somebody out there wants to challenge our findings on it, they send us a letter saying, I can do the same service. And then we would work with the bureau to determine if indeed it really is something that could become competitively solicited or not and go back to the justification of that.

**Saltzman:** So if someone does come forward, then there is a process for responding?

**Baer:** Correct. Yes.

**Saltzman:** That's through your office?

**Baer:** Through our office, yeah.

**Saltzman:** And I guess my other question is -- i'm still trying to figure this out -- if a sole source between \$22,000 and \$100,000 is amended, so suppose it's 25,000 and it's amended, can it be amended three times as a sole source?

**Baer:** It could. It would fall into our contract amendment limitations, which is at 25% of the original contract value. In the case after \$25,000 sole-source contract, if the bureau wanted to execute an amendment above 25%, they have to come before you as an ordinance to approve that. And with your case, I think your bureaus are at 10% to get jar approval.

**Saltzman:** Under a sole source scenario, if the scope of work changes, so suppose it's a \$25,000 sole source. Nobody contests it. And then it's re-upped for, I guess -- how much could it be re-upped for?

**Baer:** 25% of the original contract value. So you could, I suppose, and it to add to the scope of work if that's what you're talking about.

**Saltzman:** But only for --

**Baer:** Up to 25% without having to come back with an ordinance.

**Saltzman:** Ok. Thank you. Good work, by the way, on all of this.

**Potter:** Is anybody signed up to testify on this matter?

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

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

**Adams:** Good work, jeff. Aye.

**Leonard:** I really do appreciate you focusing on this and correcting the loopholes to make sure that we're doing what we intend to do. Thanks, jeff, very much. Aye.

**Saltzman:** Yes. I always want to thank you. This is really responsive, I think, to concerns that were raised about mwesb subcontractors and whether they actually get the work that they're represented as getting when we select people, and I also appreciate the new rule about the sole-source contract notifications. Aye.

**Sten:** Jeff, I think you're doing a great job. This is, I think, probably the area of city spending that is the most often thankless, so thanks. And also, over the course of time, over the course of, say, a decade, it will really change the city the most in terms of making sure small businesses have access, and it's not just access. It's making sure that the citizens of Portland get the talents that are out there that maybe don't always survive pretty tough, stringent contracting rules and things that don't always favor the upstarts. I think this is really going to make a big difference. It's one of these things where it's very easy -- and i've done it me self -- to give a speech about how we need to make these rules work better. It's very difficult to actually make them work better, and I think your and your team are really doing that. Aye.

**Potter:** I want to convey my thanks to you, jeff, also to bruce. Thank you for bringing this to our attention and sticking with it. We appreciate that. Thanks, folks. Vote aye. Please read item 1445.



December 5, 2007

**Item 1445.**

**Adams:** Come on up. It's required by state law we have to bring these items forward on the regular agenda for council consideration. Do you want to give us 13 seconds on what this is about?

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

**Joe Babado, Office of Transportation:** Good morning, mr. Mayor and commissioners. My name is joe babado. I'm with the office of transportation and right-of-way acquisitions group, and i'm currently responsible for processing street vacations. I'm sitting in for another agent that has this project. Basically this is a piece of road that's adjacent to a city park that's unimproved, and the adjacent petitioner is asking for the vacation so they can add and replace an old home.

**Adams:** Thank you.

**Potter:** Is there anyone signed up to testify on this matter?

**Moore-Love:** No one signed up.

**Potter:** Is there anyone here to wishes to testify to this matter? It's a nonemergency and moves to a second reading. Please read the next item.

**Item 1446.**

**Dee Walker, Office of Transportation:** Good morning. I'm dee walker. I am also with the office of transportation right-of-way acquisitions section. Hoyt street properties is the petitioner for this street vacation on a segment of northwest 9th just north of overton, and it is -- they are not here, so i'm just going to let you know what this is about. It's currently unused right-of-way, and the development site is owned by hoyt street, and the intent of this vacation is to incorporate the requested area into the landscape plan and create a space that serves as an entryway into the period district from northwest naito parkway and to provide pedestrian improvements to enhance the connection between the pearl district and future improvements. If you can look on the very first diagram, you'll see that the improvements would be to the right of it. The second page is the site plan. That pretty much shows, in relation to where the building will be, the area of right-of-way that's needed for this improvement. The third attachment is where it is in relation to the street. It's not exactly that triangular. The second sheet of the site plan shows the street vacation more accurately. The neighborhood associations were notified of the street vacation. Neither of them had an objection. Planning commission meeting was held august 28th recommending approval of the vacation.

**Adams:** Vacation for the purpose of public space?

**Walker:** Yes. It's going to be mostly for pedestrian access.

**Sten:** I don't suspect we'd need to with hoyt street, but having been burnt by that building over by lloyd center, is there stipulation in here that they can't fence this off?

**Walker:** You know, there isn't anything that says they can't, but there are easements overlaying the portion of the street vacation. There's sewer easements, general utility easements, and those cannot be fenced off. So there wasn't anything in the ordinance specific that it --

**Sten:** I'm just thinking land gets scarcer and scarcer, and you get 30 years down the yard and the association decides they want a yard instead of a public --

**Walker:** Well, there are easements overlaying the portion. There's a huge sewer easement that takes up a majority of the vacated area. B.e.s., that's one of the conditions of the ordinance of the vacation is that there has to be a sewer ease many, because there is a pipe there.

**Sten:** Can't you fence off an easement and allow egress upon request? I mean, I don't think that's --

**Walker:** You can, yeah. Technically. But we would have to be able to have access to it. But if this is for pedestrian connection and pedestrian way, it is -- I guess you could go back to what is the intent of pedestrian public way and connection. It would need to be --

**Sten:** I just don't see any reason we wouldn't have a sentence that says you can't fence this off if we're giving it away. I'm thinking of the building where they fenced it off. When we approved that development, there was an understanding, at least by me and I think others, that they were not

**December 5, 2007**

allowed to fence that off, and its turned out, after they fenced it off, that we aren't able to enforce that. It's a terrible -- I don't know if everyone knows what i'm thinking about.

**Adams:** Is there any reason we can't put a sentence in?

**Walker:** No. I can definitely revise.

**Sten:** I could see a neighbor wanting the space for their own building. I think about my dear friends I work with up there. I thought we were going to have a very different arrangement the on the presbyterian court church yard up on 11th downtown than what's there now. It's a beautiful courtyard, but the public's not allowed in, and that was not what I thought was going to happen, so i've seen the history of where people like their own space.

**Adams:** Where would you suggest we add the sentence that this may not be fenced off, limiting public?

**Potter:** Under section b, it has granted subject to the following conditions and reservations, and perhaps put it in around after two or three.

**Walker:** Okay. Yeah. I can definitely do that.

**Potter:** Could you create one now so that we can --

**Adams:** Can you tell us what the sentence would read?

**Walker:** Well, I would have to go back. We probably have general language that we would have to use that --

**Adams:** Could you give us your best language now? That would be great.

**Walker:** I would just say that -- let's see. Where are we going to -- in between two and three?

**Adams:** Can we just say that conditions and res everybody investigations -- reservations is that this parcel may not be fenced?

**Walker:** It should probably go under --

**Potter:** How about just shall be open for public access?

**Walker:** Well, it should be for perpetual use by the public is kind of the language that we use.

**Adams:** Want to move that amendment?

**Sten:** Sure. I'd move that language as you stated it.

**Walker:** So you want it put in between number two and three?

**Potter:** Yes.

**Walker:** On page 2?

**Leonard:** And what would it say exactly?

**Walker:** Well, exactly, off the tip of my tongue, something to the effect that said parcel, as described in exhibit 1a and depicted on 1b shall remain open and is for perpetual use by the public.

**Potter:** Yes.

**Adams:** Seconded.

**Potter:** Call the vote.

\*\*\*\*\*: Oh. This is a first reading, I believe.

**Leonard:** Right. We're voting on the amendment.

\*\*\*\*\*: Got it. Thanks.

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

**Potter:** Thanks, commissioner, for pointing that out. Vote aye.

**Saltzman:** Just one more question, kind after generic question more related to the last vacation. Do we get consideration when we vacate a street for somebody to --

**Walker:** Well, we get cost recovery. Is that what you're talking about? Consideration compensation?

**Saltzman:** I guess i'm talking about do we get paid.

**Walker:** We do not charge. There is not, like, a market value. We don't have the property appraised. Right now it's under a cost recovery. Different cities do it differently. We have figured

**December 5, 2007**

out what our average cost for all the departments, and right now it's about \$3000, so we charge an upfront \$3000 fee. If it goes past that for administrative time, if we run into things that we just didn't really anticipate, then we actually bill the petitioner, and they have to pay the balance of that - pay the balance of that.

**\*\*\*\*\*:** Processing?

**Adams:** We actually don't own the streets in the city of Portland.

**Walker:** Right.

**Adams:** We simply have an easement to use that property for streets and roads.

**Walker:** Because we don't buy our streets in fee. They're just dedicated, and we encumber it.

**Leonard:** But do they own it at the end of this process?

**Walker:** Yes. Oh. At the end of the process?

**Adams:** The vacation process.

**Walker:** The reversionary right is going back to the property owner.

**Leonard:** But they didn't own it before we did that.

**Walker:** Well, we didn't own it. The property owner always owns the underlying fee. So if you consider, like, your bundle of rights, every stick in the bundle is one interest. They own 100% interest. When we get that street, we don't get it in fees, so we take every stick in the bundle but one, which is the reversionary right. Someday, if we don't need it, it reverts back to the property owner. Unlike odot, when they buy their streets completely in fee, they own every stick in the bundle. The city of Portland does not. So that's why we're vacating the public's interest in it. We know longer need it.

**Leonard:** Was this particular property associated with the legal description of the property hoyt's building on?

**Walker:** The legal description?

**Leonard:** How do you assign --

**Walker:** Because the county is the one that determines where the property reverts back to. The city does not do that.

**Leonard:** And they determine that it reverted back to this particular place?

**Walker:** Yes. And that is done upfront before it ever gets this far. At the petition stage, they actually make a call to the county, and the county is the one who tell them, yes, the property is yours or no, i'm sorry. It's not. It's your neighbor's across the street, and you'll have to work out a deal with him. So that's determined at the county level, not us.

**Adams:** Generally speaking, like in a normal standard residential street, if we were to vacate a street, half of the street --

**Walker:** Typically. But I try never to tell property owners that when they call, because then they take it as gospel. Typically a street will be divided in half and, when it was created, half came from property owner on one side, half came from property owner on the other side. But I have seen, since i've been here, a whole street come from one complete side, so he we always stay away from that topic and tell them it's not up to us to determine where it reverts back to. They have to call the county for that.

**Sten:** I've learned something today.

**Adams:** I was surprised when I learned it.

**Sten:** I'm surprised that you know that.

**Adams:** I was ready to start selling things and make money. But there is nothing to sell.

**Saltzman:** But we don't own the streets.

**Adams:** We don't own the streets, just the responsibility of maintaining things.

**Sten:** But he would own the streets --

**Potter:** This is a nonemergency and moves to a second reading. Please read item 1447.

**Item 1447.**

**December 5, 2007**

**Potter:** Second reading. Call the vote.

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

**Potter:** Aye. Please read item 1448.

**Item 1448.**

**Potter:** Commissioner Saltzman?

**Saltzman:** This is simply a transfer after residential franchise to -- from hoffman to wacker.

**Potter:** Is there anyone here signed up to testify on this matter?

**Moore-Love:** I didn't have a sign-up sheet.

**Potter:** Anyone wish to testify to this matter? Nonemergency and moves to a second reading. Please read item 1449.

**Item 1449.**

**Saltzman:** This is an important first step towards fulfilling the city's commitment of constructing a neighborhood park in the south waterfront central district. It's important to get this work started immediately, and thus this item is an emergency. If there are any questions, we have sandra bertsos, the project manager from parks, who's available for questions.

**Potter:** Questions from the commissioners? Is there anyone here who signed up to testify?

**Moore-Love:** No one signed up.

**Potter:** Anyone here who wishes to testify to this matter? It's an emergency vote. Please call.

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

**Potter:** Aye. Please read item 1450.

**Item 1450.**

**Potter:** Second reading. Call the vote.

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

**Potter:** Aye. Recessed until 2:00 p.m.

At 11:14 a.m., Council recessed.

**December 5, 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 the final transcript.]

**DECEMBER 5, 2007            2:00 PM**

**Potter:** Council will come to order. Karla, please call the roll.

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

**Item 1451.**

**Potter:** I'd like to remind folks that, prior to offering public testimony to city council, a lobbyist must declare which lobbying entity they are authorized to represent. Please read the 2:00 p.m. Time certain. Commissioner Adams?

**Adams:** Thank you, mayor. When I ran as a candidate for the Portland city council, one of the items that I talked about was the need for a higher education advocate to be appointed from the membership of the Portland city council. This comes out -- came out of my work in the previous mayor's office that the responsibilities of being an advocate for k-12 were so significant that it was very difficult for one elected official to do both k-12 and post-secondary education advocacy. So I asked the mayor to create the position of higher education advocate, which he was generous -- she was generous enough to do and to assign me that responsibility. Today's issue before us falls under that rubric as the higher education advocate from the Portland city council. I'd like to welcome jim francesconi and guests from the higher education subcommittee today. The Oregon state board of higher education has established this subcommittee to provide the state board with an analysis and options to providing for the current and future needs of higher education in greater Portland. And, mr. Francesconi will be telling us about the work today. It lines up well with the work that's being going out of my office regarding city strategy. Economic prosperity and higher education have become so strongly linked that it's practical to discuss higher education. If we compare to the nine targeted existing industries established by this city council and that are part of the mission development commission, the knowledge industry is by far the largest, and yet it is not designated as a target industry. It's average salary is \$56,700, and it's estimated payroll is \$1.7 billion, including research hospitals. These are the highest -- the, industry is the largest in terms of the number of jobs that are contained with it. It compares very well in terms of the average salary, and it is the largest industry in the city of Portland. It also has some qualitative benefits to the city of Portland. It is a very stable industry. It has its ups and downs but not as radical of ups and downs during economic downturns as other industries. Higher education institutions do not generally pick up and move as other industries can. They also provide jobs with a significant portion of which provide benefits and of course they fulfill their missions of educating Portlanders and others who seek to live here. It's important that we have a more successful higher education institution here in the Portland area over the next 10 years. It's estimated that 80% of the high-wage jobs in Oregon will require at least a bachelor's degree. And when you look at the comparative city information and how Portland compares with other cities around the nation, we do pretty well in terms of being an educated community as measured by bachelor's degrees, but we still have plenty of good-paying jobs in the city of Portland and in the Portland region where the employer has to go outside of

**December 5, 2007**

Portland and the Portland region to get qualified applicants. We would like more of those jobs going to Portlanders. So, with that, I would like to bring up Jane Ames, who will be joined by Mark Wubbolt of Portland State University to go through some of the basic statistics about our emerging knowledge industry strategy.

**Jane Ames, Commissioner Adams' Office:** Hello, Jane Ames. Thank you very much. I am going to talk about just a few of the efforts that I've been working on, Sam has been working on for the last few years, and then Mark will go through some of the data that we have been developing and talk about that project. So the first effort that we really started working on was in 2005. We developed and sent out a survey to many of the higher ed institutions in Portland really to focus on what their economic and environmental impact is on Portland. Since that, we've been working with the information we gathered to develop both a comprehensive and ongoing institutional set of data that can be used for various projects. You have handouts with you -- and there's some over on the table -- that give you the table of contents of the data we gathered as well as examples of the data. The complete collection is not there. It's quite a bit. The information can and will be used to highlight our institutions and programs. It's quite amazing to me how few Portlanders really understand how many institutions of higher ed we actually have in Portland. It's also to develop an awareness of the current resources and potential needs of these programs and of our city with regard to higher education, to identify the growth in research funding both by institution and as an overall set cluster or industry, as we call them. To locate and assess program offerings -- assess program offerings so we can understand how these align with the workforce needs of our community. To understand the range of jobs that are provided by higher ed institutions. We think of faculty and administration, but there's quite a range of job opportunities in higher education. And to provide information to potential students seeking to search out career opportunities. I know, when I worked at Grant High School with students, students really were not aware of where they could go for certain programs to fulfill their dreams of what they were going to be when they grew up. We've also been working on establishing relationships with the various institutions and really giving them a very clear message that we are working to establish a proactive role on the part of the city to assist with their growth and success. We have also worked on a cluster project. We are leading an effort to explore a complimentary medical cluster in Old Town, Chinatown with the Oregon College of Oriental Medicine who has committed to moving down in the area as well as talking with the National College of Natural Medicine and Western States Chiropractic College to see what the benefits of co-locating and forming a cluster there could be. There effort is in the discussion and exploration stage at this point. We worked with regulatory assistance, often a very strawn and important issue for a lot of the institutions. We worked with Concordia University, PDOT to assess the potential for a partial street vacation in an area where they are going to build their new library and are going to open that library up to the community surrounding to really try to blend where community and university end and begin. Also with Commissioner Leonard's office and B.D.S., we worked with a land use determination for a new throwing field that they're also working on. We've worked on advocacy in Salem, assembled leadership from various institutions to develop a set of priorities for this last legislative session. These folks came from O.S.U., community colleges, and nonprofit and for profit private institutions. We sent a letter to the governor from Commissioner Adams and 18 of the institutional leaders to advocate for these priorities. You, all of you, established higher education was a priority in the legislative package this session. That was a first. And you also gathered together and sent letters of support on behalf of various issues we were lobbying for. Our lobbying followed funding bills with having to do with the Oregon Opportunity Grant Spire and overall funding. And Commissioner Adams testified before ways and means, wrote letters, and made numerous calls and visits lobbying during -- for higher education priorities. Those are among our initial efforts, and our goal is to continue to support this cluster as well as the individual institutions to fulfill their missions and goals as they align with the priorities and best interests with

**December 5, 2007**

the city of Portland. And, with that, I would like to turn it over to mark wubald who, because of the gracious sharing of his knowledge and ability by the vice president of financial and administration, lindsay deroche from b.s.u., mark has been working with me on working to turn our survey into something that's much more comprehensive and ongoing. So, with that, mark?

**Mark Wubbold:** My name is mark wubbold, and as jane has mentioned, i'm an employee of Portland state university. In keeping with our -- we consider this a very important effort. The first slide you're looking at is just largely a graphic, and we just wanted to show you the density of the institutions of higher ed and also the hospitals that are involved in this work. The actual survey participants are listed there on the left-hand side or my left-hand side. We hope to expand that number. You can see there are many more institutions than there are survey participants, and we hope to expand that in time. This is the type of -- right now we're calling it, well, information. Hopefully it will in time become data. In fact, the ipeds information we're getting is already data. We're collecting from a data system which is u.s. Department of education data that's routinely gathered from all the institutions, and we're also collecting survey data, and the survey has been created by jane and is now being hosted on a p.s.u. server. It's about 25 questions, I think, and they're mostly qualitative, having to do with the environment, having to do with things that we can't get from the national data pool. And then we're also doing g.p.s. Data, because we'd like to, as we did in the first slide -- we'd like to be able to show you the location of some of these clusters as we determine them. So the g.p.s. Data will be important in the future. The idea is that all of this data will flow to a common data pool, which will be maintained or is currently maintained at Portland state university, and then we could serve queries to the database and offer up reports, and they would be in the form of targeted industry reports or we could also do individual institutional reports. This is ipeds -- ipeds data that which we can currently collect. This is an example of what that data looks like when it comes in on a spreadsheet. This is the kind of information that we're gathering using our survey, and this mainly has to do, like I said earlier, with environmental issues, storm water management, parking spaces, more of the qualitative things that commissioner Adams mentioned earlier. The information is targeted that you're all doing around clusters for the Portland development commission is doing around clusters. For example, if you wanted to track a specific degree, in this case speech communications, what we can tell you from that database is that the demand is whatever it is. And this is based on department of employment statistics that we have that a projected increase in our region, Multnomah, Washington counties, by 2014 would be an 18% increase. We can tell you what universities are currently meeting or providing that particular degree. This is just a very surface kind of first blush look at what that data could be -- could look like in a g.p.s. Output. There's just so many different ways that this data could be used to support economic development strategies and some of the other things that jane talked about. So we're moving forward with this, and we're trying to integrate the web survey with the routine ipeds downloads that we're making, and I think our next step will probably be -- are you going to talk about that?

\*\*\*\*\*: It would be to gather a technical team.

\*\*\*\*\*: Right. And to fine-tune this and move it forward. Thank you.

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

**Adams:** It's now my pleasure to introduce jim francesconi, who's leading the effort on Portland's higher education subcommittee and also joining him will be preston pull yams, president of p.c.c., mark he had lynn, president of governny he had lund development, and lindsay deroche, vice president for finance administration at p.s.u.

**Jim Francesconi:** Thank you, everyone. This will be the entire testimony. Preston is also a member of the higher ed board which me, and he's co-chairing this effort of -- in greater Portland, and he's going to talk in more detail about the access side of what we're trying to accomplish. Lindsay deroche, as you all know, is the vice president of finance administration at Portland state

**December 5, 2007**

and is part of our effort, as is the provost of all the institutions not only in the greater Portland but o.i.t., eastern university of Oregon, and Oregon state. And then mark edlund is a member of this committee, as is commissioner Adams. In addition to mark, tim boyle is part of this as well as john morgan. The idea is assembling the institutions with the business community, with the community as well. Not present today is brandt stewart, patricia martinez -- patricia martinez. Leslie hallock and tom imanson are chairing the graduate and research side of this. Unfortunately they cannot be here, so i'll give why a brief overview of that, and you have materials in front of you. Then preston will do the access side. And then lindsay and mark. And we really hope this will trigger some discussion from your questions. Commissioner Adams is a member of this group. But to execute this, it's not only going to take the legislature. It's not only going to take the business community. But it's also going to take you. And you've all been advocates of education. Some of you have graduated from Portland state, p.c.c. Commissioner Saltzman was on the board. You've all been strong supporters of those institutions. And as we get more specific here, we tried to build on the work that you've already done. And it's a plea for help from you not only in terms of advocating from the legislature but also executing these strategies, 'cause it's not going to be possible for the institutions or the legislature themselves to do this. The history of this is that the higher ed board did ask me to chair this committee with preston. The governor of the higher ed board picked Portland, along with three other strategic initiatives, because they realized greater Portland is the economic engine for the rest of the state and the higher ed institutions, as commissioner Adams said, are key in terms of research, graduate programs, workforce programs to stimulate the connie, which benefits the whole state. And so that was one reason they selected this. Second is we're going to have, as you know, 700,000 more residents in greater Portland over the next 20 years, according to population studies. 25% of those will be hispanics. And so the governor and the higher ed board are also interested in how we provide access to higher ed. And so that's the reason. And what this is leading up to is legislative agenda for o.u.s. Requesting major dollars in the second round of higher ed funding coming before the legislature. So this is about redirecting some existing resources from the institutions. It's about new resources from the legislature aimed at higher ed in greater Portland, and it's about going for other partners to help assist this. That's the goal. And there's three specific strategies that are going to be advanced that we're going to discuss. One is increasing access. And preston's going to do this. Commissioner Adams is right that our numbers are relatively good for higher ed, but the problem is a lot of those numbers are met by people moving here with college degrees. The rate in Portland for access is slightly higher for white nonhispanics. It's 22% that go on to college for all white nonhispanics. But if you're hispanic, it's 11%. If you're african-american, it's 19%. And then there's a third dropout on part of those numbers. So collectively, we have to do something to address the access issues that preston will talk about. Secondly, on the research side -- so the goal there is to increase, to at least double the numbers that we've just presented. On the research side and the knowledge generation, the goal is to significantly increase -- and we're going to quantify this. We haven't yet done that -- the annually externally sponsored research expenditures, the number of business startups and invention disclosures, and the graduate programs that are directly related to economic development. And then the final goal is to increase the number of outside champions for higher ed, which it may include the creation of the external advocacy group advocating for the community colleges and higher ed the way that there's external advocacy groups advocating for k-12 now, and that's another area we're going to need your help. Turning now to the -- so if you have any questions about how this got formed or the purposes, feel preto ask. Turning to the second subject with more specificity now on where we're going with the graduate and research side -- and, again, leslie hallock chaired this group. The provosts of all institutions were there. We want to build upon the strengths of our modern research university, Portland state, build closer collaborations with ohsu without a forced merger. This group was asked to make a recommendation on the merger report. But also then build



**December 5, 2007**

with university of Oregon in terms of their strengths, Oregon state with their strengths, create a collaborative can be 'cause individually we're never going to catch up to the university of Washington. But if we build this collaborative, building on existing strengths, that's the idea. So our first recommendation is something that you set the stage for. It's creating a research triangle that extends not only to south waterfront but across to omsi and p.c.c. And in this research triangle, it's creating a new south waterfront life sciences facility with p.s.u.'s life sciences building there combined with ohsu and a place for Oregon state's pharmacy program, university of Oregon. And ohsu is in favor of this. That's why I wish they were here, so they could tell you this. So all the efforts that you've done to set the stage in terms of transportation, infrastructure, and others helps create a hub right here in the life sciences. And the focus areas that the provosts are looking at are life sciences, biological engineers, pharmacy, public health, biomedical informatics, bioactive compounds, astrobiology, nanomedicine, and other fields. And so the institutions are collaborating on this. This is going to be a major budget request that the governor is very interested in that we advance to the next legislature, that we're going to need your help on. The second specific recommendation -- and you're leading this, and mark edlund has really been, how do we infuse sustainability as the key ingredient in the institutions that are here? What that means is, starting with sustainable physical campuses as a model to emulate with the goal of zero carbon, and so we're talking about that, how we're going to actually do that, but we're also talking about adding faculty and funding other initiatives to fully develop core multidisciplinary research in areas Portland state is already doing a lot of work in, integrated water management, sustainable business practices, green science and technology, environmental law, sustainable public policy development. And, again, it's not just Portland state. They're going to be a leader of this. Oregon's done some things in this arena. Actually all the institutions have. We understand it needs more specificity, and we would like your help, but the provosts are actively working on it. These are the two major recommendations. Then there's two others in the second category, and again this group has agreed upon this. Developing a product design Portland in Portland, led by the university of Oregon, supported by tim boyle, colombia sportswear, as well as nike. The whole issue of product design fits with our economy and fits with where we're at. And there will be areas for Portland state to participate as well as the other institutions with university of Oregon being the lead. The other area is -- and we still have a very vibrant, unlike other areas, manufacturing economy, so materials, metals, and manufacturing led by Portland state. And with expanding the research capacity with new faculty positions aligned with the industry. So these are the four areas with the primary two being the life sciences facility and sustainability that's going to form the frame of some budget requests as well as reallocating the assets in this arena as we move forward. So I hope you have some questions or advice in this arena. But none of this -- everyone understands that everybody has to have access to these, not just the privileged few. Preston.

**Preston Pulliams:** First of all, good afternoon to mayor Potter and to the commissioners. Thank you for the opportunity just to spend a few minutes talking about this endeavor, and thank you for your support of not only public education but certainly higher education. I just want to acknowledge leadership jim's provided also in chairing this work. The piece i'm about and very excited about is the talk about access for more of our area students and residents to higher education. There appears to be two barriers that prevent some of our residents and some of even our students from continuing and completing higher education, and they are in two areas. One is there is often a financial barrier in terms of particularly low-income families being able to afford higher education. The other part is psychological cultural barrier in terms of some groups not being able to access higher education. There are two broad strategies to address those barriers and issues. How can we work closer together to address the affordability and the access issue? The second is a need for more outreach throughout our community, particularly through the high schools and particularly through the middle schools and even earlier in terms of accessing some of these

**December 5, 2007**

populations and groups to talk about the opportunities and benefits of higher education? And more importantly to break through the psychological barrier in terms that there is a place for you at one of our state universities and community colleges. In those two grand strategies, there are several strategies that we've discussed, and we are working together to refine those and talk later about details as we continue our work. One is I talked about breaking down the silos. For lack of a better descriptor, that is something I call university centers. How can community colleges and state universities come together with coordinated programs? We are racing to catch what our students, many at our institutions in terms of enrollment -- how can we make those more functioning, more system mat tic with coordinated programs? The other is taking on a big idea to kind of break down the sense for some that financially it's impossible to access higher education? And we're looking for -- there are a number of models across the country in terms of the efforts here throughout our area, thinking about how we can provide almost a guarantee for those low-income families of support. The other strategy deals with how do we enhance early outreach programs as I said early and create really successful intervention partnering with mentoring in terms of working particularly in our middle schools. This mentoring effort has brought much success throughout the country in terms of raising college participation rate. Last but not least, there are great models around the country. Also we're exploring how we can join these programs together in terms of dual enrollment for a number of high school students to also have experience in higher education, to be oriented to higher education. It is quite obvious that in even some of our high schools that some of the students do not fit into the traditional model. How can we break that model and get those students exposed and excited about higher education? That pretty much ends that.

**Lindsay Desrochers:** Lindsay deroche, Portland state. First of all, want to acknowledge jim francesconi and preston who have put in endless hours to working with a very large group of people representing a lot of institutions and a lot of sectors of the community here in Portland. Great leadership, and we really appreciate it. Thank you, both. Ok. So i'm going to take this in just a little bit different direction, but I won't be very long. All across the country, there really is an increasing realization by organizations like the c.e.o. Cities and by just plain metro leadership that the universities and colleges in the midst of these metro areas are really pressure schaus assets. They are assets which are not or should not be the terrain of only an elite class of people. Rather they're assets which really are the hope of many families for a better live for their students and a productive, energized opportunity to be of value to society for their children and more and more often for working adults. Most human beings really wish to be of value and have opportunity to be of value to society. Further, there's really an increasing realize that regions which know this and which foster those institutions, rather than simply tolerate them, are really the communities that are going to succeed. There's a realization that the universities and colleges fuel the manpower needs for businesses, government, and the not for profit sectors and most especially that the creative knowledge builders are drawn to affiliations with universities, working in and with university faculties and students. These special energizing people really create new ideas, and those ideas actually have direct, significant impacts both financial and otherwise on the community at large. So at Portland state, we've crafted our institution into a totally engaged institution. We have over 400 community engagements at any given time, and you just saw a demonstration here earlier from mark wubald, providing services to the city to help you develop the study you wish to do on universities overall and colleges overall. Our students are really not encouraged just to stay on the campus. They are encouraged to go into the community, and in fact it's mandatory that they go into the community and work from every school and college, urban and public affairs, engineering, the business school, performing arts, liberal arts and sciences. They work broadly to bring the bested ideas they can out into the community, and they earn credit in doing that. It's deeply gratifying when we get calls from small business organizations or local government organizations. That small business organization says we have not only saved our business organization, but we're now

**December 5, 2007**

thriving because of that student group you gave us to work with us on that problem. We get those calls all the time at Portland state. Now, Portland state's always partnered with the Portland metro region, with the city council. I've been here before and been very grateful to the city of Portland for the way in which it partners. But we are really at a new juncture now in this city, and the city needs to dial up the volume. The university has to catch up with its past growth. We have to focus attention on the future growth. And we seek your further partnership. We're going to need some commitment to assure that we still have urban renewal as a tool to do this and we, as the anchor institution, the comprehensive urban research institution in the city, will need to partner with other institutions as this study that jim and preston have just done illustrates. We want to work with other institutions in the metro region to create a full set of offerings that all the citizens in our community deserve and our economy demands. So i've had about 28, going on 29 years of university management at this point in my career, including building a new campus down in the california -- university of california system. I've got broad knowledge of what works around the country, I believe. Portland really is a grand and wonderful community, but Portland has to embrace more strategically its higher education community so that a true, thoughtful partnership is cemented to ensure that this great city gets the great system of higher education it really needs. Portland state's been working with the Oregon university system board, with director francesconi and preston pulliams along with the other institutions at ohsu, p.c.c. On an agenda that can leverage the full impact of higher education in the metro region. One of our ideas -- preston's alluded to this -- is to take higher education and really get us down and dirty inside the city schools more. My experience in california suggests that, unless you get university faculty and students reaching all the way down to the middle schools and creating that sense of urgency in the middle schools for children to understand that they can go onto higher education -- unless you get those faculty and students working with teachers, you're missing the boat. The pipeline won't get any bigger until you get that in place. And it's got to be donees item mat tic, not just -- systematically, not just hit and miss, not just a scatter shot. The relationship we can build between Portland state and ohsu now that the streetcar connects us down to the waterfront, soon the light rail will connect us as well. There is a potential tattoo create a science education corridor in the south central city of Portland from omsi to the waterfront at schnitzer campus to Portland state. We now can integrate some of our scientists working together down at the water front and bring some of the teachers in from omsi when the streetcar or the light rail brings them across the river. This is going to integrate disciplines that is going to synergize certain research streams that are already started, such as drug discovery. We have a very critical research group at Portland state that, if they can work with ohsu and in particular the pharmacy school, o.s.u. On the waterfront could create new industry in this area. So we're very excited about that. It's biosciences, one of the target industries of the city, and it's something that really frankly n my view, is a no brainer. Finally, Portland state must catch up with its very significant growth and growth to come. We're at 25,000 now. We're moving to 30,000 within the next decade easily. We need to assure that we can build affordable housing for our students and our staff and faculty, especially our students. As we grow that extra 10,000 students, we really need to double, if not better than that, our housing. And it has to be affordable housing. I have some plans that i'm working on, and you will hear about them. I want to urge the city council to understand that Portland's future is integrally related to the strength of its higher education capacity, and that capacity is directly related to the strengths of an anchor institution, Portland state, but also in partnership with our other fellow universities and colleges. Thank you.

**Mark Edlen:** I'm mark edlen, and i'm glad to be here today. I'm one of those small businesses. Approximately 85% of our employees are graduates of our higher education system here in Oregon, approximately 25% directly out of p.s.u. If you walk through our office and council member the people that are probably under 28 years of age, probably 90% of them are graduates from p.s.u., and they are clearly fueling our business. I'm also here on behalf of the private side of this whole effort.

**December 5, 2007**

There are four sectors that I think create great opportunity for the public and private to create intersections. One is affordable housing, two is arts, three is sustainability, and four is kids, really our fit, k-12 and higher ed. I think we're at a very interesting juncture here in our city in many respects. We have so many great, great things going on, and they're tangible. Just in the last six months, on the sustainability side, people are coming up with great ideas and trying to push those forward, but I don't think we have the glue quite to pull it all together, and I think that glue is higher ed. What I would beg for today is for you all to support -- get behind this effort and support it, make it as vocal and as outlandish as one commissioner's tie is here today -- [laughter]

**Elden:** -- so it is visible to everybody in our community of how much support you put behind this. I think what our governor has done is just outstanding. We're facing decades and decades of this investment in k-12 and higher ed. I think we're on the precipice of an opportunity, an opportunity the business community recognizes what this investment has done to it. Analogy was made to university of Washington, and it is just palpable when you go up there. It's been fascinating to watch the level of collaboration between our institutions. Sat in one meeting in particular that I just was delighted with. Leslie hallock was talking about how created a degree of some sort. They made it up. Made it up. Signed it, gave it to the student, student went on. Accreditation people came back and said, we don't have this this in muir book. It's not in the manual. She said, we just did it. We just broke the rules and did it. That's a good idea. We need to break the rules on how we can drive education forward. The other point i'd like to make told is accessibility. I'm one of those kids that stumbled into college, and i'm eternally grateful that I could pay 142 bucks a quarter and get an education. Today that is a significant challenge. I sat in with Portland public talking about schools, commissioner's Sten's ideas of how to fund those schools at a higher level than we do today, how we can create partnerships with p.c.c. And other higher ed institutions to create funnels to get these kids in here. The fact that only 20% of our students go on to higher ed, much less how many graduate, is absolutely startling. The thing that will make the difference here in Portland is education. As relates to sustainability, what i'd love to see us do is I would love to see us take this whole thing, put it on higher ed's shoulders, bring their kids in to do the research. We might think we know the answers. Have them come back after the fact. Imagine bringing in o.s.u. Students to do the construction management. We've reached out to u. Of o., talked about what they can do to help us. We're not seeing the stuff come through fast enough. And then let them go publish it. Might it bring more students to Portland and eugene and corvallis that want to come here because of sustainability? Might it bring a higher caliber of professor? Can we reverse this downward cycle that we've been in of disinvestment and beating down on these institutions and instead get them in a reverse spin and get them in an orbit where they become nationally known? A dream I have? I'd like to take the betsy credits that we have and we're actively working on partnering with major corporations that have big Oregon income tax liability and slathering with solar. Might that get some attention? Might that help us get a true leadership position? We talk about how we're ahead in sustainability, and we're ahead by about that much. You go to chicago, and it's about a mile wide and a quarter inches deep. You ask a couple questions about paybacks and how it works, and you get a blank stare. These folks on sustainability have the opportunity to be the focal point to collaborate between us and the private side, the city and the state, and use that whole thing to lift them up higher and higher. I beg for your support today. Thank you.

**Adams:** Any questions for the panel?

**Leonard:** I just have a comment. I'm going to call my mother-in-law and tell her what you said and expect to hear from her.

**Adams:** She doesn't like you, does she?

**Elden:** Couldn't resist.

**Adams:** Your report -- our report is supposed to be wrapped up by april. Is that correct?

**December 5, 2007**

**Francesconi:** We're going to actually have the first report done in just a few days, and then we work through the implementation phase. So, by then, we should have the implementation plan, by april.

**Adams:** What are the early signals you're getting from salem in terms of the likelihood of additional investments in higher education for the Portland area?

**Francesconi:** We haven't done in-depth in this, but the first step is to -- we have to go through an o.u.s. Budget process. But the first step is getting it in the governor's budget recommendation. And the signals there, as I indicated earlier, are very positive or else we wouldn't be doing this. But it's going to be getting into the governor's budget in some capacity along with other higher ed investments. But we are going to need your help in terms of the legislative side. We haven't yet -- we don't want to get ahead of ourselves. We haven't yet talked to the legislative leadership.

**Saltzman:** My only counsel is to you, lindsay. We are talking seriously about letting some of our old districts expire when they're supposed to expire. That includes yours.

**Desrochers:** Yes. I'm aware of that. And we're hoping that we can --

**Saltzman:** This can't become sort of a naked campaign, I think, about extending south park block urban renewal area. I don't think that serves the larger purpose.

**Francesconi:** I'm sorry, commissioner. I didn't understand.

**Leonard:** A naked campaign?

**Saltzman:** This is all about getting more urban renewal to p.s.i., to the south waterfront, I think some of us on this council feel quite strongly and the p.d.c. About sun setting urban renewal districts, at least a couple of them, to show we really have the discipline to do that, and because the county needs general fund dollars, not to mention taxpayers citywide. So I think that's got to be -- at least my counsel is that an ounce of reality ought to be seeping into that on p.s.u.'s part.

**Desrochers:** Mm-hmm. I'm aware --

**Saltzman:** Are there general funding opportunities? Are this bonding opportunities? I know p.c.c. Can seek bonding. I don't know whether in and of itself, but certainly the state can. So I think you've got to be looking into some alternatives.

**Desrochers:** We're following the discussion, certainly. I've been in fact before your group once previously, very shortly, though, and I think that we do need to weigh in on some thoughts about that. Not on the immediate choice that you have been making about the termination of the current districts. I think that's understood. It's what shape the future may take.

**Francesconi:** You know, it's not our job to tell the city how to finance things. What we're trying to do is get additional resources from other places in order to help accomplish city objectives which help the state and higher ed. Having said that, it would be, if there's an opportunity -- if you view this as an opportunity that would also benefit Portland residents and the city of Portland, bringing something to the table to match others would be our hope. Where that comes from -- you know -- needs to be your decision.

**Saltzman:** I think there's an increasing -- at least in my mind anyway, a realization that urban renewal is not the only tool that we can bring resources to the table. If we want to do something, we can figure out how to do it with other resources, whether it's our general fund or something else, without hamstringing other local governing jurisdictions and preventing other taxpayers from benefiting that the revenues derived from new developments in the city.

**Francesconi:** To let you know, we have touched base, and we appreciate -- and I want to acknowledge jim kelly who I think may have walked in, because we wanted to see the Portland plan which you're working on -- that this is integrated with that. We've also talked with your terrific new economic development director. We've done those things as well. We're hoping you can help us through different ways on the access mission. We're going to bring other resources. But we understand work systems is represented here. Eh c.d. Does tremendous work on that access. And if we could look to combine outside new resources with ways to give Portland residents access --

**December 5, 2007**

but we also think that this idea of a research triangle in the heart of our city that benefits the whole state is also worth pursuing, and that's why what we're trying to do is get additional resources to help.

**Adams:** The reason we're looking at all the public higher education is, as you've heard from the speakers today, how to integrate and to get the most out of an integration of the efforts not only for students and faculty but for the city as well. So that also is true on the potential financing side. We know that the better work done by this group, the more compelling it will be before the higher education board and before the state legislature. So what else we need in addition to state funding - - you know -- that's going to -- we're going to have a lot of deliberation -- deliberations on that in the years ahead.

**Edlen:** You talked about new sources of funding. I think one of the things we can do up here in Portland is reach out to other people in the business community and just get a drumbeat going so loud down in salem that they cannot not hear us. And the other thing i've advocated -- i've been frowned at and laughed at -- is 1.5 million, 20% for the poor, 40% for k-12, and 20% for energy incentives. If we really want to make change, that's a new source of funding.

**Leonard:** I appreciate commissioner Saltzman's comment about the urban renewal area, but the only time that we have voted to either extend or not on urban renewal areas since i've been on the council, I was the only one to vote against it, and I did it for some very specific reasons. Those reasons wouldn't apply necessarily to extending the urban renewal area around Portland state, because I think, as you all have eloquently pointed out, an investment there exponentially return lots of dollars -- exponentially returns lots of dollars. I greatly appreciate Portland state, and I would not be one to necessarily think that -- you know -- I think we could look at redrawing boundaries. I wouldn't want to have a discussion go from here that the council had decided not to extend the urban renewal area. I would be more than open to listening to different ideas, how we could do that, what different kinds of targeted projects would be accomplished by that, what the boundaries would be that we would get increment from, those kinds of questions. So I don't want it to be off the table. Nobody's more, I think, conservative than I am when it comes to extending the districts once they expire, but there's probably no other current district i'd be more open to hearing why it makes sense to continue it than the one that surrounds Portland state for all of the reasons i've just stated.

**Desrochers:** May I make a comment, mr. Chairman? It's just the follow-up here is that we are now, at Portland state, looking at our future, and we're going to be doing an economic plan for our university, for our own campus. We're actually doing that in partnership with the city planning bureau and with Portland development commission. And the purpose of that is to look at the whole picture, the whole set of needs, and then to try to look at the whole set of possible tools. So we've come to no conclusions about any particular thing here. We do need to forecast and look at what it's going to take to meet the needs the institute has. Over the next year to year and a half, i've got that project under way.

**Adams:** Thank you.

**Francesconi:** Just i'd like to acknowledge you have terrific staff. Jane ames is one of those. O.u.s. Has some terrific staff. The vice chancellor is here -- chancellor is here for the whole institution, jay mckenton. He's actually staffing this effort. And charles triplett as well. It's really tremendous to again be able to work with such public servant, staff. So we look forward to continuing to work with you. Thank you, commissioner Adams. Thank you, mayor. Thank you, council members.

**Adams:** Thanks for your work, folks.

**Potter:** Is there a sign-up sheet for this?

**Moore-Love:** There was no one else signed up.

**Potter:** Anybody here who wishes to address this issue? Please call the vote.

**December 5, 2007**

**Adams:** Well, I want to thank Jane Ames and my staff for their work on this area, and I'm enjoying the participation on the subcommittee group and look forward to bring it to fruition. Aye.

**Leonard:** Well, Portland State provides opportunities not just for Portlanders but for kids statewide. You can't get it at any other institution of higher education in the state of Oregon for a variety of reasons. Housing is in a variety of -- a variety of places more affordable. A kid that goes to Portland State doesn't necessarily need an automobile, and there are jobs that I think are well suited for kids that are trying to get themselves through school. For a variety of reasons, Portland State is unique. And so I think -- and I've long believed -- that Portland State is an underutilized asset that the state has never invested enough dollars in. When I was in the legislature, we adjusted the funding model to match populations of the schools which dramatically benefited Portland State as, as Lindsay pointed out, the increased student population there, that's been a help. But there's more that can be done by the state, and I think that there's more that we can do as well. I mean, I'm really excited the council has partnered with Portland State on the archives project. That's going to be an exciting venture and hopefully -- hopefully may provide some model for future capital construction that we could cooperate with P.S.U. On that decreases their costs, decreases our costs, and brings facilities together that makes it easier for Portlanders and students to access. So I appreciate the work on this, and it's great work and great vision. Aye.

**Saltzman:** Well, it is good work, and I want to thank Jane Ames for leading this effort, Commissioner Adams, and all the committee. Aye.

**Sten:** I agree. I think I've campaigned that helping higher education is the most important thing, and I frankly haven't known how to do it. I think this road map and agreement between the major players is really, really helpful, because I feel like it gives me something I can now talk about, hopefully help execute, lobby for. And while I think that the council has been aggressive and assertive in helping P.S.U. And helping with the U. Of O. Building down in Old Town and other pieces, certainly P.C.C., and I think we're all very focused on the connect you shared with getting this more connected to high school and I love the idea of middle school that came up today, it has been pieces that I'm not sure of greater than their parts. I'm very pleased, and I'm really happy to see a strategy coming forward. I did want to maybe shoot the middle ground between my colleagues on the urban renewal question, bringing the South Parks to a close really soon, part of the strategy is to get downtown water fromme and South Park blocks closed so we can talk about a 20-year strategy of a new urban renewal district, and I think that you can never be all things to all people but, if you close these ones without getting too wonkish up here -- wonkish up here, all the properties come back at the same property rates, which is what the county needs. A new district that includes P.S.U. And the educational facilities is absolutely necessary. But the vision as I see it is to go from three urban renewal districts to two and, in that way, do a better job of distributes some of the money that's held up in those urban renewal districts and coming up with a longer term strategy for P.S.U. There's a five-, six-year window where we need to figure out how to bridge one to the other. I think both sides' arguments can be sustained in this case. Great work. I would like to follow the lead and get some of this done. Aye.

**Potter:** I, too, want to thank everybody and particularly the superstar, Jane Ames, for her work on this. She's been great. She's so quiet around the building, but she's very determined.

\*\*\*\*\*: She is? When did that happen?

**Potter:** Well, just on the third floor.

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

**Potter:** But I do want to thank Commissioner Adams for his leadership in this. This is so important. I'm really excited about the idea of a research triangle in Portland that we can compete with other towns and their universities in doing the research, generating new products and new companies right here in Portland. I think that's a very exciting opportunity, and I appreciate the fact that it was pointed out that also, with increasing diversity in the coming years, we've got to lay the foundation

**December 5, 2007**

today for those kind of changes that will allow them to be part of these creative and exciting opportunities. So I appreciate what o.u.s. Is doing and jim and all the good folks that are working on this. I really think this is going to be the direction for Portland for some time to come in terms of using and working with our educational institutions. I think that collaboration is really the model for this, and I think it's the model for the future, and I think that when we recognize by helping each other we help ourselves and our community, I think we can do a lot of good things. So thank you all. And, again, jane, thank you. Aye. We're going to start the 2:45 time certain. Thank you, folks, very much. Please read the 2:45 time certain.

**Item 1452.**

**Potter:** This is the third annual state of the river report to the council and community on progress made towards achieving the river renaissance vision. Willamette river divides our city and unites our community. It's a focal point for all Portlanders, and its health is an indicator of our community's health. This yearly report is a result of the city working on a unified strategic vision. The state of the river is compiled with invaluable support of the eight bureaus that make up the river renaissance effort, environmental services, planning, parks, transportation, sustainable development, development services, water, and p.d.c. As you will hear from gil kelly and michael montgomery, this year's support specifically describes accomplishments from last year, sets forth an agenda of over 35 river-related actions for this year, and maries impacts -- measures impact from over 20 indicators. This year it profiles a number of impressive efforts by those upstream communities in recognition of this important upstream work. Over 600 thousand people live in willamette river cities upstream from Portland, a population larger than Portland itself. How these communities embrace the river has vital implications for Portland as well. While some challenges still remain, the planning bureau will discuss, the 2006/7 state of the river report shows that Portland is on the move shaping the future embraced by Portlanders in visionpdx for a clean accessible willamette to form the hub of a vibrant community. Gil and michael, please proceed.

**Gil Kelley, Director, Bureau of Planning:** Gil kelly, director of planning for the city, and i'm joined by michael montgomery, the project manager for the -- coordinator for the river renaissance effort. I'm pleased to play the convening role for the city agencies involved. I regret that, because this meeting had to be rescheduled from last week, that a number of my fellow bureau directors and a number of our community and private sector partners couldn't be here for the rescheduled time, but a few are, so we hope you can make a little bit of tile available to hear from them as well. As the mayor indicated, the state of the river report, this is our third annual. It's the primary public reporting component of the river renaissance. Each year, we bring to you a report of the actions that have been taken over the last fiscal year and point you toward the actions that are lined up for the current or coming year and, as well, we report on a series of measures and indicators that essentially display in what we hope are readable, understandable terms for the general public how our river is doing in its various economic, social, and environmental roles that it plays in the life of our city. The overall effort, of course, is to grow awareness of the importance of the river in that context and to motivate more investment and attention towards the river over the decades to come. See -- we see it as a multidecade effort. Full economic and social and environmental recovery will also take us a long period of time, but we think this is the right collection of things to be doing, and so we're very pleased to report on those. Before turning it over to michael, I just wanted to mention a couple of things real quickly. First of all, I think the actual report you have in front of you this year has been markedly improved in terms of its graphic content, it's readability, it's simplicity and engaging quality. I'd like to thank rick bastich who joined michael this year in the river renaissance staff, a staff of two coordinating across many external and internal partners. Rick comes to us with a long history of involvement in the river and, in fact, has written books about the willamette river he's published and headed up the willamette restoration initiative for governor kitzhaber at the time. So we're very pleased to be joined by rick this year. You will see from michael great progress on



**December 5, 2007**

things as large as the big pipe project, which is removing sewage from the willamette river, a number of watershed efforts which we will not go over in much detail today because you just got a report from the watershed staff very recently. You will hear a little bit about the river plan going on in the harbor area where we have industrial and environmental groups hard at work on finding kind of a win, win solution to many of the natural resource and industrial conflicts or perceived conflicts in that stretch of the river. You will also hear from south waterfront and ankeny hill -- ankeny hill. There's a lot of stuff going on to engage people with the river front in Portland. That is really building momentum. And of course the acquisition of a piece of ross island this year from a generous donation of dr. Pamplin is kind of a crowning jewel in the effort today. I should probably just acknowledge that once again today. Before we get into the details here, I did want to say that I think this third annual reporting period now gives us the opportunity to reflect on some of the management aspects of this. There are two or three things i'd like to point out to you that I think we should be gearing toward in this coming year. One is that we hope as a set bureaus to integrate our annual reporting on tree canopy improvements, the watershed report you just recently heard, as well as the state of the river report into a seamless document in reporting for next year. That is our goal. We've had conversations with the other bureau directors about that. They're all quite interrelated. Secondly, as you will hear, we have a number of transit measures and performance measures in here. We are not only measures for example miles of trail or miles of pipe but also whether that actually results in benefits to the environment. We measure e. Coli each year to know whether or not or how much that's improving. We need to find measures as precise and indicative of the qualities of the environment that for many of the other components of the reporting. So we will be initiating a cross-bureau project to kind of tune-up and tighten up the measures that you're seeing now in this report. Finally, we think it's time now this third year, the city having gotten its act together the last three years or so, to really spread this outside the city government in a dedicated way. We'd like to work with the mayor and the council in the coming year to really grow a more formalized leadership -- formalized leadership presence within the business community and the other agency community and the river that would in some ways grow and compliment of the work of the river trust, the interagency natural resources group commissioner Adams is involved in. Really grow that to be a holistic river renaissance kind of set of stewards really outside of city hall. So that's the final kind of management effort that I wanted to indicate for next year. With that, I will stop talking and turn it over to michael, and I think he's going to talk and show you some photographs at the same time, and we'll be here to answer questions, but I know there are three or four people from the community who would like to address you as well.

**Michael Montgomery, Bureau of Planning:** My name is michael montgomery. I'm the manager. Mayors, members of council, I am absolutely delighted to be with you today to present the third annual state of the river report. As you can see by the logos that are at the bottom of the page on the first slide, when we speak about river renaissance, we're really speaking about the collective actions and activities of eight bureaus, interworking relationship-oriented bureaus with respect to what they are doing and moving forward to accomplish in the area of river renaissance in and around the city of Portland. On their behalf today, i'd like to present this report and i'd like to acknowledge my thanks to all of them for their leadership in the previous year about which we are reporting. You have already received the 2005 state of the river report, and 2005/2006 state of the river report. Let me just stop at this slide for a moment to indicate that the first year's state of the river report was a calendar year state of the river report, and then we suddenly got smart enough to know that this is a fiscal year-oriented municipal government, and all of the other reporting systems are on a fiscal year, and we flipped and went to a fiscal year format this past year, and we are continuing on that particular route, and now we are here to present the 2005/2006/2007 state of the river report. Just as reminder, the five themes that represent the river renaissance initiative in the city of Portland that we are trying to assure that we have a clean and healthy river for fish, wildlife,

**December 5, 2007**

and people, that we are urging everyone team brace and maintain and enhance our prosperous working harbor, that we are working very vigorously to enhance the river as Portland's front yard and not turn our back on the river, that we create vibrant waterfront districts and neighborhoods and that we continually, through this entire process, promote partnerships, leadership, and education. With that, we I am brace accomplishments and key actions, progress that we have made in this past year and, as we look at our current fiscal year, an action agenda that we really hope is going to be setting the stage for what you will receive next year. And as the mayor pointed out in his opening remarks, we are really happy to share with you the activities of our upstream partners, the cities and regions that are upstream along the willamette that are also doing some wonderful things in this regard. We do have indeed accomplishments and key actions with which to share today. And to begin with, a reiteration of the west side big pipe that became operational in december, 2006. As we look forward to what we are going to move as a new acquisition and how to really become a great shepherd of ross island, we are delighted with the fact that negotiations picked up with the leadership of the gentlemen before whom we are speaking today. Thank you very much on behalf of the city. Culminating in a donation agreement that was negotiated and a final donation that was accepted in october of this year. I'd like to recognize at this time, even before we go on to the next slide, the outstanding work of dr. Robert pamplin of ross island sand and gravel, mike houck of the urban green spaces institute, bob salinger, representing the audubon society, travis williams of willamette river keeper, and the friends of ross island. This has been really something wonderful for us to bring into our collective way to look at a stewardship along the river and associated with the river. And right in the neighborhood of ross island, we have key activities that have happened with respect to south waterfront. The aerial tram has become operational, and I believe the one millionth passenger on the tram was a rider just a few weeks ago. The john ross condominium was completed and began renting earlier this year, and olympics' center for health and healing opened in south waterfront. We're delighted to have been preceded by a very wonderful discussion on the importance of higher education in the city of Portland, and the south waterfront area where ohsu is active along with p.s.u. And other institutions will hopefully find a great home there for their research. And Portland streetcar line with the river line continued on with their movement toward and around south waterfront, a great mode of transportation indeed. Portland continued to grow its connections to the river. The city secured \$250,000 in a grant from the Oregon marine board to improve the river place dock. It completed a trail to the river on swan island and celebrated the opening of the willamette river water trail through Portland. The city also continued to work on protecting natural environment areas in and around the river. The Portland building right next-door has been fitted with eco roofs. Council adopted a new green streets policy. B.e.s. Launched the clean river rewards program which provides utility bill discounts to homeowners and businesses who are taking actions like disconnecting downspouts which contain the rain. Portland adopted a new urban forest plan that is important in terms of its implications that our watershed system and published an updated natural resources inventory for the willamette's north reach. Moving on to our wonderful working harbor, the investment strategy associated with the harbor, this year found us surveying businesses and discovered that industry is still expanding and reinvesting in our working harbor, but transportation problems and tight land supply are limiting growth. We completed a land development forecast and needs assessment that underscored the needs that were already unidentified but unfunded transportation projects, identified a need for new rail access strategies for small shippers, and found existing water, sewer, storm water, and other systems adequate to serve forecasted growth. We convened also a national brown field symposium to study new approaches for making progress on harbor brown fields, which led to the formation of a blue ribbon panel for implementation recommendations to come forth. We really want to work hard on this issue going forward, because as you couple the small land supply that we have with the fact that we have brown fields that need to be reclaimed for industrial reclamation and redevelopment, there is the sequence

**December 5, 2007**

of things that need to happen to make us be able to move forward with opportunities for further business growth. Continuing with accomplishments, the city has had this year the opportunity to be recognized with a variety of rewards. The community watershed stewardship program received a 2007 c. Peter mcgrath and w.k. Kellogg foundation engagement award for a regional program from the national association of state universities and land grant colleges. The stewardship program is a joint venture of our bureau of environmental services and Portland state university along with the americorps' northwest service academy. The mount tabor rain garden and the sink you green streets projects received professional awards from the american society of landscape architects. And last fall, river renaissance received in 2006 an excellence on waterfront honor award from the waterfront center for outstanding waterfront planning efforts. I want to recognize that that award was not for the things that had been happening in the last year or two with respect to river renaissance but rather for the planning that led up to the launch of the river renaissance initiative. So, again, that award is to be shared by all of you as well as those in the various bureaus who worked on that planning effort. Moving forward with progress measures, now i'd like to cover what we have to share in terms of indeed progress, and we're developing this for our slide show around our respective themes. First a clean and healthy river. The willamette water quality index moved from fair in 2001 to good in 2005, and it remains that way through 2006. Downspout connections increased by over 2100 to a total of 50,000. I'd like to share a line graph with you to show that we continue an upward stream with respect to downspout disconnections, and this is very, very important to our environment and our watershed situation. Salmon are moving quickly into habitat created by restoration projects such as the ramsey refuge efforts in the columbia slough and kelly creek in the johnson creek watershed area. However, there are still problems associated with johnson creek because of poor water quality issues. And lastly, in a public and popular demonstration that the willamette is now often but not always clean enough in which to swim, Portland's first triathlon was hosted this past year to great success. Now, before everybody dons their speedos and jumped out in the water, you have to be careful that this is not every day but sometimes that it is clean and healthy enough in which to swim. If we don't have a rain incident of significance within 48 hours of a point at which you want to get into the water.

**Leonard:** Or a water bureau working up at mount tabor.

**Montgomery:** Thank you, commissioner, for you being the person who brought that up for us. But that was -- thank you. That was a very successful triathlon this past year, and I believe there will be another one this coming year.

**Leonard:** We're putting everybody on vacation that week.

**Montgomery:** Ok. Good. [laughter] with respect to our prosperous working harbor, we had annual job growth increase in altar getted areas and clusters ranging from 2 to 31%. Not that I wouldn't pause at every slide, but this one is for fake particularly important at which to pause. We had an upward or at least -- I think everything is actually upward to some degree trend in the key manufacturing distribution and logistics, high technology, metals, transportation, and equipment and food processing and active areas. Really -- active areas. Really happy about this trend. Maritime tonnage has also held at good, although it fell slightly in this past reporting year. It is still roughly 5% more than in 2002. And, lastly, the total value of buildings in the industry district on an average increased by 1.2%. In terms of Portland's front yard, the river indeed is becoming a popular place at our front yard. By our estimate, there are about 3000 more people living within a mile of the willamette river than last year. It's difficult, when you're doing bar graphs, to go all the way to zero and then up, so you'll notice this bar graph begins at 111,000 and goes up to 118,000. So the gap is not twice as much from a proportional standpoint, but the important thing is that more people are moving in and around the river, and we're happy about that. Housing development in the river district also grew faster than expected, indeed eclipsing its growth rate 114% of target. And Portland's river trail system increased by 4400 feet during this past reporting year. One look at the

**December 5, 2007**

riverfront, and we quickly peek at the area that is becoming more and more vibrant. Portlanders definitely see it as a destination with over 73% having made at least one visit to the river this past year, 4% more than in 2004. Again, in this graph, note that we don't start at zero but hone in on the difference between the three years for which we have information. As previously noted, south waterfront is up and running with new buildings, new tenants, new transportation options. The aerial tram, as noted earlier, is quickly exceeding its targeted ridership goals. Progress continues on centennial mills as the city selected three teams to submit development proposals next year, and ankeny burnside's progress has accelerated with completion of a new design for the pump station, identification of a new home for saturday market, the siting of mercy corps' world headquarters, and the inclusion of the university of Oregon's Portland campus in that area. We're very, very happy about those areas of progress. The vision for our partnerships, leadership, and education theme continues with b.e.s., clean rivers education program boasting an increase of an additional 500 students for a total of 13,000 students who were involved in that educational outreach. Solv's earth day activities brought in almost 3000 Portlanders who planted almost 4000 trees. We have a renaissance-hosted 2006 urban waterfront's national convention, which was attended by over 300 people. It should be called the international conference, because there were representatives from river districts and waterways from all over the world who were here in the city of Portland. And the average number of visits to the river renaissance website increased by 30% this past year. Now i'd like to move to actions identified for the coming year. Again, this is only a sampling of the many actions planned. First Portland's premier river efforts will continue their year-long progress. The city is participating in a Portland harbor superfund site clean-up effort that will involve additional samplings to fill gaps as well as continues the work with d.e.q. To identify and control any contamination that may be coming from storm water systems. Work on the east side big pipe will also move forward a scheduled completion in 2011, and the city's river plan effort will wind up in the north reach and then move on to other areas next year. Work will accelerate on Portland's streetcar loop, which will include a new river crossing in the vicinity of omsi and south waterfront. The south waterfront greenway will continue a design phase and move toward phased construction. In the columbia corridor, an evaluation will be completed that assesses possible regulatory improvements needed to give the city better ways to comply with metro environmental requirements and the clean water act and environmental services will begin on the taggart project in southeast Portland which will repair asian pipes, limit flooding, and reduce combined sewer overphilosophys into the willamette using a comprehensive application of sustainable storm water treatments. The city is teaming up with a number of organizations and businesses to host the first-ever everfest in late summer 2008. Riverfest will be collaboration and celebration of the river's contribution to the environment and the connie through music -- economy through music, art, and river experiences. In addition, as gil mentioned earlier, river renaissance would like to work with council in establishing a river leaders' coalition to identify new directions and needs for achieving Portland's river vision.

[change of captioner]

**Montgomery continued:** Oregon city, to salem, and benton county. To corvallis, and eugene. It is all of our river, and they are working very hard in their particular jurisdictions as well. To sum up, Portland is making substantial progress on achieving its river vision. More and more people are getting closer to the river in every way and becoming interested in being a part of the river renaissance activities in our city. Portland continues as well to be a river leader, as illustrated by the frequency of our mention in various studies and articles, or as the poster city for other organizations' web sites. That organization represents about 15 river oriented cities across the country. They selected the city of Portland's waterfront as the masthead on their website. On december 11th at 11:00 in our planning commission offices, there will be a presentation by an author by the name of paul stanton for his new book "river town." as you note, the image on the

**December 5, 2007**

cover of his new book, the city of Portland. And a local author and advocate for our river by the name of Mary Vogel, has just published a journal in the Urban Land Institute journal, and she speaks very nicely about the city of Portland's activities in our river renaissance initiative. In addition, just this past Army Corps of Engineers the Sacramento Bee and the Pittsburgh Post-Gazette featured articles speak of their respective communities and how important river development was to be and should northbound their communities in each instance they pointed to the city of Portland as the prime example of the type of river-oriented project management and accomplishments they would like to emulate. With that I am very, very happy to have been here today, and that concludes our state of the river report. We would be very happy to receive any questions. Thank you.

**Potter:** Did you say you had folks who wanted to speak? Are they signed up?

\*\*\*\*\*: Joan Eddy?

**Bob Sallinger:** Good afternoon, Mayor Potter and members of the Portland City Council. My name is Bob Sallinger, the conservation director for Portland Audubon. I have two children roaming around in the building, one is asleep. My wife got called out of town at the last minute. I'm glad to be here and have the opportunity to speak today. I think the river report really speaks to the incredible work that's being done in the city of Portland. We really have a lot to be proud of, and just an amazing number of outstanding accomplishments. I really commend the city and its partners for the work that's being done. That being said, I think we still have a ways to go. The river renaissance vision is wonderful. I think it really does set the tone for where we want to go and how we want to get there. But I don't think we fully embraced it yet. We're going to be tested in the next year because we have very, very important projects, long-term projects. I think that have been controversial for a very long time. We have a town resolve and move forward on I think some of the biggest opportunities in a long time are right before us right now. But it's going to take a rededication and a recommitment and a real leadership and real ownership of some of these projects. A couple of things to put on your radar screen. South Creek, South Waterfront Greenway has been in the news a lot. I'm not worried about the cost. I'm on that committee and we'll be reporting to you in the next month or two. The cost isn't the issue. Those are projections, we want them in there so people could see how this project could balloon out over time, if it isn't done right, but we have an opportunity to keep the cost way down. By getting things done faster. We also have an opportunity to really deal with those costs by some innovative thinking, thinking outside the box. I think sometimes we're adopted by our own vision. We have great vision on this project. We have good implementation plan. But I think sometimes we proash it with dread, our eyes are bigger than our stomachs, and right now my concern isn't the price, my concern is the -- that it's an orphan. No one is tracking that project very well. It is one of those projects that although it's been flag as a flagship project, our perception of having been involved for 10 years is no one really owns it on council and no one owns it amongst bureaus. That's where it has the potential to fall apart. We need to step up and fulfill that vision. When we look at Millennium Park in Chicago, for example, on what the mayor has done, there interests not as big as that. But it ought to be an opportunity. We -- it generates that kind of excitement, in the city and beyond. Secondly is the natural resource inventory that Anne and I and the port of Portland -- the fisheries are working on in the north reach. The planning bureau is doing a good job dealing with the north reach, it's a very complicated issue. The natural resource inventory is probably the most contentious issue. We have fought for probably 2½ decades over natural resources on industrial lands. And I think we have the incredible opportunity before us. We've never had the kind of dialogue we've had on this process and I give the city credit. I also give the port credit. We really have made progress in the way we've never done before in terms of thinking about new ways of dealing with natural resources. I think a lot of things I would note is that I think we will get our act together. We will get it done. Once we figure out how to get along with each other we'll be asking you to help us get this done, because we're not going to get it done alone. If we're going to get a vision that moves us beyond the long-term bickering, it's because we

**December 5, 2007**

look bigger. It's not going to be all on the backs of businesses. So we'll be looking to you to help us out with that. West Hayden Island, not in the river, but close. We are considered part of the river. It's looming large. We've been battling over it for over a decade, close to two decades. That's coming forward very quickly, and the city is committed to a process that looks at fundamental issues that haven't been addressed in almost 15 years. We need to go back and do that now. We really need the city to remain dedicated to that open vision going forward. And that transparency and that willingness to look at things we've taken for granted and see if we can move beyond the stalemate we've been in since at least 2000. The last thing I want to put on your radar screen is Ross Island. That has already been mentioned as one of the highlights of the last year. We appreciate the work of council and the city on that. We think we have an opportunity there to move forward in a way that is unprecedented with a partnership between the city and the agencies, not only in the implementation, but in the planning and public involvement and I'm here to speak on behalf of the Ross Island vision team on that topic. You met some of them at the last hearing. , we've been working for two years together on this project to try and bring it into public ownership to reach out to Dr. Pamplin, to reach out to the port. Not only do we have an opportunity, but a necessity here, because we have three different owners with different perspectives. It's going to take something outside the city to bring those together. So we're here today to offer that we'd like to be an integral part of that. We've produced a document -- this speaks to our vision. We were self-appointed, but we did talk to the different bureaus when we started doing. This we rolled this out to a number of community organizations, we presented to probably 200-300 people. We just presented it to some of the bureau heads last week. We hope we can have a true public m.g.o. Partnership in terms of developing a vision. I'll end by saying we're doing great work on the river, and we should be proud of that but we need to think about Colandrea. Commissioner Adams laid out a -- out a vision that I thought was incredible last week as to how we do that. It's not just a matter of the river, but restoring the ecology of our entire landscape. It's also a matter of equity. The statistic that 73% of the people have visited the river in the last year is wonderful. But the fact is, Portland has below access to nature, below average access to nature, and we need to think about those issues. It's not just a matter of getting people to the river, but bringing nature to the people. And so over the next year we'll be pushing the equity issue to the coalition for livable future and the equity atlas, and we have a big opportunity coming up in the next couple months to address that through the S.D.C. Process. With that, thank you for having me testify today, and congratulations on this work. We have a lot to be proud of.

**Ann Gardner:** Good afternoon, Ann Gardner, Schnitzer Steele. -- steel. I've been here before to talk about the river plan. And have been supportive for a number of years, have a fairly specific goal in mind, and that is at the end of the day to have a new greenway code, a new zoning code to facilitate the many visions that we have for the river. I echo a good many of the comments that Bob Salinger made, and I appreciate the opportunity to work with Bob and Nancy -- we're wrestling with this issue that he discussed with you how to deal with the natural resource investments in the working harbor. Just kind of as a reminder, to talk about natural resources of an investment in the working harbor, it's really a major departure in historic policy. You all know back in 1910 Portland voters created the docks commission, a city of Portland bureau to basically go forth and invest in the working harbor, because they felt like we were losing business quite frantically to Seattle. And so it was a commitment to invest in the harbor. So many of the investments you see down there today were in fact initiated by Portlanders, by the public sector. So where we are today, there's a really good idea that's been put on the table, and we really thank Nancy and Bob for proposing to create a landscape plan for the north reach, and to identify those specific places where we should be investing in the natural resources. And it's a great concept and one that we're really excited about, but it's -- I would be remiss to say that there are not a number of issues ahead of us to get to the point where we have a new code. We need the new code. It isn't working for anyone, not the city

**December 5, 2007**

regulators, and not for the business district trying to invest and the code doesn't allow us to invest properly in really meaningful natural resources. Just a couple of observations, the natural resource inventory that's up for public comment, we have fundamental questions about that. It needs to be carefully examined. We think we're just still a little thin on some of the economic information that we need. And this mitigation plan we're talking about, we're going to need to get our arms around pretty quickly about what that investment might be, and who else might help us achieve the goals. To achieve the goals we're talking about for the north reach of the willamette is going to take a collaborative partnership beyond just investing businesses, but the community as a whole. I -- just in closing, I appreciate the city is staying the course to move forward with the river plan. It's been many years coming, but we do need to tackle these hard issues and as bob said, this is a tough one. And we need to see it through, and we very much appreciate the opportunity to partnership with some of our other stakeholders. So thank you very much.

**Potter:** Thank you.

**Moore:** That's it.

**Potter:** I need a motion to accept the report.

**Sten:** So moved.

**Saltzman:** Second.

**Potter:** Please call the vote.

**Adams:** Great work. Thank you for an interesting and succinct presentation. A lot of work done by a lot of bureaus, and I think your efforts to in some cases serve as the hub and other cases to serve as the spark to mix metaphors, has been very useful. So congratulations. Congratulations to the mayor for his leadership as the commissioner in charge of planning. Aye.

**Leonard:** And I too thank you for the great work, the river is such a different place today than it was when I grew up here, it is -- one would not even recognize it sois very much appreciated. And I know we have work to do, but I think we're doing really good. Aye.

**Saltzman:** This is indeed another impressive report following on last year and the year before. It keeps getting better every year. Keep up the good work. It's hard to keep up with those high-class studies, but that's very nice looking. I'm sure it's -- I appreciate the group. Thank you. Aye.

**Sten:** I agree. We've made a lot of progress, and some of it goes unnoticed and this does a good job of laying it out. I think you've reached success when to some extent nobody shows up. Very few people show up. And it's also very well integrate in addition all of our efforts. I also think that this next phase having kind of succeeded going from an idea to quite a few friendly argument was different stakeholders about what it is we're trying to accomplish toy think a unified vision and a lot of accolade, now the danger is that we start thinking we've got it, and I think now it's really a time for -- I think we need -- I don't know what they are, but I think we need a couple big jumps, ok, what's the next strategy, and bob talked about clearly funding mechanisms are going to continue to be an issue, and I think at the time to really -- for example, on that stretch of south waterfront in north macadam to push it and get it right. It's almost like I feel like we have gone from sort of a discombobulated set of strategies, though a lot of love for the river, to a unified strategy, now the next thing is to see what is the next step. I think change comes, and then you jump again. I want to challenge everyone to come back next year with what's the next piece of this as opposed to what's the next couple of implementations that I think will come. And so that is probably a real high compliment. I'm not pushing on the details but to say I think we're ready to go to the next level, which would have been a laughable statement a couple years ago, given what we were. So good work, and those in the river that can't thank you, thank you as well. So aye.

**Potter:** I want to thank michael and all the good folks who have been working on this. I'm really excited about the fact that we are engaging the upstream partners in all of this. This is really important. As you see what is in our river, we know much of it comes from upstream, so i'm very pleased that those folks are doing things that weng partner with them and strengthen those

**December 5, 2007**

partnership over the next year. I want to thank former mayor vera katz for her leadership on this. She was very instrumental on getting this moving, and I appreciate what she did on this. So my fellow commissioners, I vote aye. [gavel pounded] we're recessed until 2:00 p.m. Thursday.

At 3:51 p.m., Council recessed.



**December 6 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.

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**DECEMBER 6, 2007                    2:00 PM**

\* \* \* [ roll call ]

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

**Item 1453.**

**Potter:** The city attorney will describe the hearing process.

**Pete Kasting, Chief Deputy City Attorney:** [inaudible] designed only to determine if the hearings officer made the correct decision based on the evidence presented to him. If you start to talk about new issues or try to present new evidence today, you may be interrupted and reminded you must limit your testimony to the record. We will begin with a staff report by the bureau of development services, staff for approximately 10 minutes. Following the staff report, the city council will hear from interested persons in the following order. The appellant will go first and will have 10 minutes to present its case. Following the appellant, persons who support the appeal will go next. Each person will have three minutes to speak to the council. The principal opponent if there is one l. Have 15 minutes to address the city council and rebut the appellate's presentation. After the principal opponent, if there one, the council will hear from persons who oppose the appeal. Again, each person will have three minutes. Finally, the appellant will have five minutes to rebut the presentation of the appellant's appeal. The council may close the hearing, deliberate, and take a vote on the appeal. If the vote is a tentative vote, the council will set a future date for the adoption of findings. If the council takes a final vote today, that will conclude the matter for the council. I would like to announce guidelines for those addressing city council today. This is an on the record hearing. This means you must limit your remarks to arguments based on the record compiled by the hearings officer. You may refer to evidence that was previously submitted to the hearings officer. You may not submit new evidence today that was not submitted to the hearings officer. If your argument includes new evidence or issues the council will not consider it and it will be rejected in the city council's final decision. If you believe a person who addressed city council today improperly presented new evidence or presented a legal argument that relies on evidence not in the record you may object. Only issues raised before the hearings officer may be raised to the -- in the appeal to city council. If you believe another person has raised issues that were not raised to the hearings officer, you may object.

**Potter:** Any members of council wish to declare a conflict of interest? No council members have a conflict of interest to declare? Do any members of council have information gathered outside of the hearing to decision close? No council members have ex parte contacts to declare. Do any members of council have questions or other preliminary matters that need to be addressed before we begin the hearing? Staff, you have 10 minutes.

**John Cole, Bureau of Development Services:** Thank you, mayor, members of city council. My name is john cole. I'm the land decision planner that reviewed this particular case. Rachel is in the

**December 6 2007**

audience who did the environmental review for this particular application. And kurt kruger is here from the bureau of transportation. In case there are any questions about the street and circulation elements of this proposal. As the attorney mentioned, this is an appeal of a hard of hearing decision that denied an application for a two-lot land division that also included one environmental protection tract. It was a type 3 land division with an environmental review and modification. Mark dane and leah highman are also in the audience representing the property owner and developers on -- I apologize if I got the pronunciation wrong. You can see there is a shaded piece of property that has frontage on both council crest drive extended and then fair mount boulevard along its eastern edge. This particular piece of property has an r-10 single family residential zoning district applied to it. As well as a c conservation overlay zone applied to the eastern three-quarters of the property. The the other items i'd like to point out, you will see council crest drive comes to sort of a dead end here along the edge of the property, and there is no public right of way between council crest and southwest 19th avenue. As part of the applicant's submittal, they will be improving the street frontage of council crest drive. I'm going to end up talking later in my presentation about a hearings officer concern about connectivity and whether or not a street segment should be included with this land division. When I say that, I point out the hearings officer was referring to an east-west street connection that would connect council crest drive to fairmount boulevard. This is a picture of the site from overhead, and a little bit to the north. You can see council crest drive along the upper edge of the property, and fairmount boulevard along the lower edge. I think that what you can see in this particular photograph is it's an undeveloped site with a mature stand of fir trees on the property. There's also a fairly intact understory. Just to help place this particular property, this is the communications tower, the red and white communications tower that you see on the hilltop. There's some other public infrastructure facilities up at the top of the hill as well as single family residential development in the neighborhood. The applicant's proposal was to create two parcels for single family development off of council crest. The remainder and the majority of the property was going to be placed into an environmental resource tract. Because of that overlay zone, the city staff did go through an environmental review of the proposal and reached an agreement with the applicants regarding what trees would be preserved and what sort of environmental enhancements would be undertaken in the environmental tract as part of the approval. There was also an environmental modification component to this application where some of the lot sizes for the single family lots were reduced to smaller than they would have otherwise be permitted in the r-10 zoning district. And some of the front yard setbacks were reduced. These modifications were arrived at as a means of increasing the amount of this site that could be placed in the environmental tract. This is a picture of the site plan. The red line that you see on this particular proposal is the final configuration of the proposed individual lots. Here is one of the single family home footprints. Here's the second. Everything to the right on this particular drawing would be placed in an environmental overlay tract. The hearings officer held a public hearing on this application on october 25th and subsequently issued a decision for denial in the hearings officer's staff report he had found that every criteria for approval except for two had been met. So the only two that the hearings officer had an issue were were these two criteria in chapter 33654. This is the section of the development code that deals with street connectivity, and in particular, the hearings officer issued a statement that you see in front of you. The applicant has not provided an east-west through street on the site or shown why it is not appropriate and practical -- practicable to provide one. Staff had recommended approval of this particular application and perhaps we just had more of an opportunity to take a look at that particular public record, because we do think that there is information in the existing public record that argues against trying to put in an east-west through street in this location. The code does permit staff to look at other issues such as terrain, environmental overlays, surrounding development. When we make a decision as to whether or not we should ask for an additional street connection. In this particular case, there is approximately a

**December 6 2007**

42% slope between fairmount boulevard and council crest. To put this in perspective, the city gets nervous any time a street grade gets over 15%, and it's very rare that a street grade greater than 18% would be approved. So on this particular steep slope it's really impractical for the city to expect there to be a connecting street. Secondly, as I had indicated, roughly two-thirds of this site is being designated as an environmental overlay tract. And the idea of trying to put through either a pedestrian connection or a public street connection would be in conflict with the city's goals and objectives of preserving this tract of land in its environmental condition. Therefore, staff would reiterate its opinion that there is no practical -- practicable way of placing an east-west location in this -- west-west connection in this location. I'm not sure if it will show up very well on these particular slides that i'm showing you, but this is a map of the dk property with some of the contour grades drawn in here. It's approximately a 42% grade to connect these two streets. Again, this is site map showing the particular trees. All of these trees will be reserved and the applicant is committed to doing some mitigation in terms of going in and cleaning out some of the invasive species on this property. So just real quickly, this is a picture of council crest at the top of the hill looking south. The property at issue is here off on the left side of the screen. Here is a picture of fairmount along the lower edge of the property. On this slide the subject site is to the right. Bark up on council crest looking east, if you're careful you can see light through the trees, and you get -- you begin to get a sense for the slope that we're talking about, and as well as some of the mature vegetation on the property. And at the bottom looking up you get a look at the site from below. So council alternatives today are to deny the appeal that's before you. This would have the effect of upholding the hearings officer decision for denial of the proposal. Or you can uphold the appeal that has been submitted. This will overturn the hearings officer's decision of denial and adopt revised finding and conditions of approval. If you choose to uphold the appeal and overturn the hearings officer, staff will ask that you schedule a follow-up meeting where we will present you formally with the findings of conditions and approval. And i'll answer any questions you might have.

**Potter:** Questions? Thank you. Could the appellant please come forward? State your name for the record. You have 10 minutes.

**Mark Dane, Blue Sky Planning:** Mark dane, blue sky planning. We are here today to correct an error by the hearings officer. If you refer to page 23 of the decision of the hearings officer under conclusions, he states that the applicants failed to address the approval criteria in chapter 33.654 rights of way, section 020. The the hearings officer erred in that we did actually address that approval criteria. More specifically we also provided the maps and details in question that shows over a distance of around 300 feet is about 130 feet. It would be impossible for to us build a staircase and these building codes given how steep this property is. There was no opposition to this proposal. We have minimized our impact. We have been working strongly with b.e.s., pdot, b.e.s. to go through this project. At the hearing unfortunately the issue was not raised by the hearings officer. We weren't aware of his concerns, and when we sought to seek a reconsideration we were unable to do so, so i'm afraid we're here today. The planning department has waived the fee for the appeal. They feel very strongly that we are correct in our supporting of that. If you have any questions I will be happy to answer them. We believe we have a valid appeal.

**Potter:** Questions for the applicant? Appellant, I 19 thank you, sir. Any person here who supports the appeal? Who wishes to speak to this matter? Is there a principal opponent who wishes to address this issue? I don't think we have to go through rebuttal unless you choose -- ok. Council deliberation?

**Leonard:** There's nobody heres that a-- that's opposed? All right.

**Potter:** Council deliberation and decision.

**Leonard:** I'd move to uphold the appeal, over turn the hearings officer's decision, and adopt the revised findings and conditions of approval.

**December 6 2007**

**Adams:** Second.

**\*\*\*\*\*:** [inaudible]

**Potter:** We'll be coming back.

**Leonard:** I automatic just -- I am just doing what he told me to say.

**Potter:** Ok. It's been seconded --

**Leonard:** Would you like me --

**Adams:** That's the first and only time you'll hear that from commissioner Leonard.

**Potter:** Call the vote.

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

**Potter:** Aye. [gavel pounded] thank you, folks. Sorry for having to make you come in.

**Leonard:** I think we have to schedule another --  
[inaudible]

**Moore:** How long do you need?

**Cole:** How far in advance do you need the material from me?

**Leonard:** Can we do it at a regular council wednesday?

**Moore:** About a week or two? A week? Ok.

**Potter:** What is the date for the hearing?

**Moore:** First findings, january 9th. That's a little over a week. Do we need to set a time certain. Why don't we do that in the morning session of january 9th.

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

At 2:22 p.m., Council adjourned.