



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **25TH DAY OF JUNE, 2008** AT 9:30 A.M.

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

Mayor Potter was excused to leave at 11:37 a.m.

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

At 2:00 Pat Kelly replaced Ron Willis at Sergeant at Arms.

Item No. 875 was pulled for discussion and on a Y-5 roll call, the balance of the Consent Agenda was adopted.

COMMUNICATIONS		Disposition:
832	Request of Glen Owen to address Council regarding Impeachment Resolution (Communication)	PLACED ON FILE
833	Request of Wyatt Rowe to address Council regarding homeless shelters (Communication)	PLACED ON FILE
834	Request of Katie Nilson to address Council regarding sit/lie and anti-camping laws (Communication)	PLACED ON FILE
835	Request of Larry D. Reynolds to address Council regarding homeless protest against sit/lie and no camping ordinances (Communication)	PLACED ON FILE
836	Request of Robert Achambault to address Council regarding homeless, sit/lie ordinances and research of people and statistics (Communication)	PLACED ON FILE
TIME CERTAINS		

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<p>837 TIME CERTAIN: 9:30 AM – Adopt Portland Fire & Rescue revised and updated Standard of Emergency Response Coverage (Resolution introduced by Commissioner Fish)</p> <p>Motion to accept the Report: Moved by Commissioner Adams and seconded by Commissioner Leonard.</p> <p>(Y-5)</p>	<p>36612</p>
<p>838 TIME CERTAIN: 10:00 AM – Accept report on Airport Futures Aviation Forecasting (Report introduced by Mayor Potter)</p> <p>(Y-5)</p>	<p>ACCEPTED</p>
<p>*839 TIME CERTAIN: 10:30 AM – Approve 21-year tax exemption extension requested by the Hazelwood Group LLC for the portion of Hazelwood Retirement Community required to be reserved for households at or below 75 percent area median family income (Ordinance introduced by Mayor Potter)</p> <p>Motion to add new finding paragraph 13, amend Directive paragraphs a and c: Moved by Commissioner Fish and seconded by Commissioner Leonard (Y-4; Potter absent):</p> <p>13. The Council believes a one year extension of the tax exemption would be appropriate to allow the Council to examine and develop a more detailed policy regarding extensions of tax exemptions for affordable housing.</p>	<p>181961 AS AMENDED</p>
<p>a. The request for an extension of 10-year tax exemption provided by Chapter 3.103 of the Municipal Code of the City of Portland, Oregon, and ORS 307.600-637 is hereby approved for a one year period until June 30, 2009 for the following property:</p> <p>The Hazelwood Retirement Community at 11933 NE Davis Street in Portland Oregon. Property tax account number R170779</p> <p>c. The commentary in <i>Exhibit A: Planning Commission’s Report and Recommendation on the Requested Extension of the Tax Exemption Granted to the Hazelwood Retirement Community</i>, relating to the background on tax exemptions for affordable housing is adopted as legislative intent and findings.</p> <p>(Y-4; Potter absent)</p>	
<p>CONSENT AGENDA – NO DISCUSSION</p> <p>Mayor Tom Potter</p> <p>840 Appoint the Sweat Free Procurement Policy Committee (Report)</p> <p>(Y-5)</p>	<p>CONFIRMED</p>
<p>841 Reappoint Tracy Marks to the Portland Utility Review Board, term to expire May 31, 2010 (Report)</p> <p>(Y-5)</p>	<p>CONFIRMED</p>

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<p>842 Appoint Sharon Kelly and Lila Wickham to the Portland Utility Review Board, terms to expire June 30, 2010 (Report) (Y-5)</p>	<p align="center">CONFIRMED</p>
<p align="center">Bureau of Fire and Police Disability and Retirement</p>	
<p>*843 Amend Intergovernmental Agreement with the Office of Administrative Hearings to increase compensation for hearings officer services (Ordinance; amend Contract No. 52795) (Y-5)</p>	<p align="center">181936</p>
<p align="center">Office of Emergency Management</p>	
<p>*844 Amend contract with Public Consulting Group for not more than \$80,000 to continue the development of the Portland Continuity of Operations Plan (Ordinance; amend Contract No. 37753) (Y-5)</p>	<p align="center">181937</p>
<p>845 Authorize an Intergovernmental Agreement with Oregon Department of Transportation for equipment and services (Ordinance)</p>	<p align="center">PASSED TO SECOND READING JULY 2, 2008 AT 9:30 AM</p>
<p>846 Authorize Oregon Public Works Emergency Response Cooperative Assistance Agreement with the Oregon Department of Transportation and others for cooperative assistance during emergency conditions (Ordinance)</p>	<p align="center">PASSED TO SECOND READING JULY 2, 2008 AT 9:30 AM</p>
<p>847 Authorize the City to participate with metropolitan regional transportation and public works agencies in the Portland Metropolitan Area Transportation Intergovernmental Agreement (Ordinance)</p>	<p align="center">PASSED TO SECOND READING JULY 2, 2008 AT 9:30 AM</p>
<p align="center">Office of Management and Finance – Business Operations</p>	
<p>*848 Pay claim of John Goldspink (Ordinance) (Y-5)</p>	<p align="center">181938</p>
<p>*849 Authorize contract with AMEC Earth & Environmental, Inc., Environmental and Occupational Risk Management, Professional Service Industries, Inc. and Wise Steps, Inc. for on-call citywide industrial hygiene consulting and loss prevention training services (Ordinance) (Y-5)</p>	<p align="center">181939</p>
<p align="center">Office of Management and Finance – Financial Services</p>	
<p>*850 Authorize the Mayor or his designee to execute modifications to a Private Lender Participation Agreement with Bank of America (Ordinance) (Y-5)</p>	<p align="center">181940</p>
<p>*851 Authorize a borrowing of not more than \$30,000,000 in anticipation of the Fire and Police Disability and Retirement Fund levy for FY 2008-2009 (Ordinance) (Y-5)</p>	<p align="center">181941</p>
<p align="center">Office of Management and Finance – Human Resources</p>	

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<p>852 Create a new City of Portland Professional Employees Association represented classification, Mapping Data Technician II, and establish an interim compensation rate for this classification (Ordinance)</p>	<p>PASSED TO SECOND READING JULY 2, 2008 AT 9:30 AM</p>
<p>Office of Management and Finance – Revenue</p>	
<p>*853 Authorize Intergovernmental Agreement with Multnomah County for the Revenue Bureau to administer the Multnomah County Business Income Tax (Ordinance) (Y-5)</p>	<p>181942</p>
<p>Office of Neighborhood Involvement</p>	
<p>*854 Authorize the Director of the Office of Neighborhood Involvement to approve, amend and sign grant agreements on behalf of the Office of Youth Violence Prevention Small Grant Program to better serve at-risk youth populations through private non-profit organization grantees (Ordinance) (Y-5)</p>	<p>181943</p>
<p>Police Bureau</p>	
<p>*855 Apply for a \$76,153 grant from the United States Department of Justice, Office of Justice Programs, National Institute of Justice to improve the quality and timeliness of forensic science services (Ordinance) (Y-5)</p>	<p>181944</p>
<p>Commissioner Sam Adams</p>	
<p>Bureau of Environmental Services</p>	
<p>*856 Authorize the Bureau of Environmental Services to acquire a certain temporary construction easement for construction of the SW Mitchell Street & I-5 Sewer Rehabilitation Project No. 6920 through exercise of the City Eminent Domain Authority (Ordinance) (Y-5)</p>	<p>181945</p>
<p>857 Authorize grant agreements and Intergovernmental Agreements with seventeen non-profit and public entities related to the Community Watershed Stewardship Program (Ordinance)</p>	<p>PASSED TO SECOND READING JULY 2, 2008 AT 9:30 AM</p>
<p>858 Authorize a contract with Carollo Engineers, P.C. for professional engineering services for the Swan Island Combined Sewer Overflow Pump Station Phase 2 Project No. 6901 and provide for payment (Ordinance)</p>	<p>PASSED TO SECOND READING JULY 2, 2008 AT 9:30 AM</p>
<p>*859 Extend contract terms and increase not-to-exceed limits with three consulting engineering firms for modeling support services for the Combined Sewer Overflow Program and System Planning and provide for payment (Ordinance; amend Contract Nos. 35282, 35283 and 35284) (Y-5)</p>	<p>181946</p>
<p>Office of Transportation</p>	

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<p>*860 Authorize grant application to the Oregon Department of Transportation to increase use of transportation options in the I-205/TriMet Green Line corridors (Ordinance) (Y-5)</p>	<p>181947</p>
<p>*861 Extend contract with the Lloyd District Transportation Management Association by one year and increase by \$82,500 to provide transportation related services to employees in the Lloyd District (Ordinance; amend Contract No. 36766) (Y-5)</p>	<p>181948</p>
<p>*862 Authorize application to the Oregon Department of Transportation for a grant to fund a mobile traffic alert system for the Portland metropolitan region (Ordinance) (Y-5)</p>	<p>181949</p>
<p>*863 Designate and assign a portion of City owned property located at 1017 NE 117th Ave as public street right of way (Ordinance) (Y-5)</p>	<p>181950</p>
<p>*864 Grant revocable permit to CC Slaughters to close NW Davis St between 2nd Ave and 3rd Ave on July 5-6, 2008 and August 16-17, 2008 (Ordinance) (Y-5)</p>	<p>181951</p>
<p>*865 Authorize an Intergovernmental Agreement with Portland Development Commission to provide Urban Renewal Funds for start of the construction of the Russell Street Improvements Project (Ordinance) (Y-5)</p>	<p>181952</p>
<p>*866 Authorize an Intergovernmental Agreement with Metro for the City to utilize federal funds for the Streetcar System Plan (Ordinance) (Y-5)</p>	<p>181953</p>
<p>*867 Amend Intergovernmental Agreement with the Tri-County Metropolitan Transportation District of Oregon for design and construction management services for the Portland Mall Revitalization Project (Ordinance; amend Contract No. 52972) (Y-5)</p>	<p>181954</p>
<p>*868 Authorize Intergovernmental Agreement with the Tri-County Metropolitan Transportation District of Oregon for design and construction management services for the I-205 Light Rail Project (Ordinance) (Y-5)</p>	<p>181955</p>
<p>Commissioner Nick Fish</p>	
<p>Fire and Rescue</p>	
<p>*869 Correct and clarify Fire Regulations and adopt 2007 edition of the International Fire Code known as the Oregon Fire Code (Ordinance; amend Code Title 31) (Y-5)</p>	<p>181956</p>

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<p>*870 Adopt fees associated with Fire regulations (Ordinance; amend Portland Policy Document FIR-12.01) (Y-5)</p>	<p>181957</p>
<p>Commissioner Randy Leonard</p>	
<p>Bureau of Development Services</p>	
<p>*871 Authorize an Intergovernmental Agreement with Multnomah County to provide for one half of the costs for facilitation services provided by Sue Dicile, contractor with Multnomah County to the Joint City-County Task Force on animal services (Ordinance) (Y-5)</p>	<p>181958</p>
<p>Water Bureau</p>	
<p>*872 Authorize an Intergovernmental Agreement with Multnomah County to administer eligibility verification and coordinate plumbing repairs for the Water/Sewer Enhanced Fixture Repair Program (Ordinance) (Y-5)</p>	<p>181959</p>
<p>873 Authorize the Portland Water Bureau to execute grants with community partners to fund lead poisoning prevention programs (Ordinance)</p>	<p>PASSED TO SECOND READING JULY 2, 2008 AT 9:30 AM</p>
<p>874 Amend contract with Sargent Designworks, LLC to extend term and increase compensation for Design Services for the comfort station renovation at Dodge Park (Ordinance; amend Contract No. 37627)</p>	<p>PASSED TO SECOND READING JULY 2, 2008 AT 9:30 AM</p>
<p>Commissioner Dan Saltzman</p>	
<p>Office of Cable Communications and Franchise Management</p>	
<p>875 Extend term of a franchise granted to Time Warner Telecom of Oregon LLC to build and operate telecommunication facilities within City streets (Ordinance; amend Ordinance No. 171566)</p>	<p>PASSED TO SECOND READING JULY 2, 2008 AT 9:30 AM</p>
<p>Office of Sustainable Development</p>	
<p>876 Authorize a three-year Intergovernmental Agreement with Portland State University in the amount of \$109,906 to execute the Multifamily Recycling Project (Ordinance)</p>	<p>PASSED TO SECOND READING JULY 2, 2008 AT 9:30 AM</p>
<p>REGULAR AGENDA</p>	

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<p>877 Adopt the Sgt. Jerome Sears United States Army Reserve Center Reuse Master Plan and recommend redevelopment of the site for a mixed-income, rental and ownership housing development that includes permanent supportive housing for homeless single adults and homeless families with special needs and designate Community Partners for Affordable Housing as the preferred developer of the Sears site (Resolution introduced by Mayor Potter and Commissioner Fish)</p>	<p align="center">CONTINUED TO JULY 9, 2008 AT 10:00 AM TIME CERTAIN</p>
<p align="center">Mayor Tom Potter</p>	
<p>878 Reappoint Jim Neill, Tad Savinar, Carol Morse and appoint Alan Alexander to the Regional Arts & Culture Council (Report)</p> <p>Motion to accept the Report: Moved by Commissioner Saltzman and seconded by Commissioner Fish:</p> <p>(Y-3; Potter and Leonard absent)</p>	<p align="center">CONFIRMED</p>
<p align="center">Office of Management and Finance – Business Operations</p>	
<p>*879 Pay claim of Linda Wickerham (Ordinance)</p> <p>(Y-4; Potter absent)</p>	<p align="center">181960</p>
<p>880 Amend Intergovernmental Agreement with The State of Oregon for placement of the New City Archives on Portland State University campus (Second Reading Agenda 819; amend Contract No. 37444)</p> <p>(Y-3; Potter and Saltzman absent)</p>	<p align="center">181962</p>
<p align="center">Office of Management and Finance – Human Resources</p>	
<p>881 Accept City of Portland Post Retirement Health Benefits Actuarial Valuation (Report)</p> <p>Motion to accept the Report: Moved by Commissioner Leonard and seconded by Commissioner Fish.</p> <p>(Y-4; Potter absent)</p>	<p align="center">ACCEPTED</p>
<p>*882 Change the salary ranges of the Nonrepresented classifications of Senior Engineer, Supervising Engineer, Principal Engineer and City Traffic Engineer and provide for movement on the range for current incumbents (Ordinance)</p> <p>(Y-4; Potter absent)</p>	<p align="center">181963</p>
<p>*883 Authorize a letter of agreement with Laborers’ Local 483 to amend the July 1, 2007 to June 30, 2010 Labor Agreement (Ordinance)</p> <p>(Y-4; Potter absent)</p>	<p align="center">181965</p>
<p>*884 Authorize a letter of agreement with District Council of Trade Unions for terms and conditions of employment of certain employees in the Bureau of Environmental Services assigned to perform inspection work inside of the East Side Combined Sewer Overflow tunnel during its construction (Ordinance)</p> <p>(Y-4; Potter absent)</p>	<p align="center">181966</p>

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<p>*885 Authorize a letter of agreement with City of Portland Professional Employees Association to amend the July 1, 2007 to June 30, 2010 Labor Agreement (Ordinance) (Y-4; Potter absent)</p>	<p>181964</p>
<p>Office of Management and Finance – Purchases</p>	
<p>886 Authorize a Price Agreement for LED Modules for Traffic Signals to Advanced Traffic Products, Inc. for the Office of Transportation for an estimated contract amount of \$2,130,000 (Purchasing Report – Bid No. 108812) Motion to accept Report: Moved by Commissioner Leonard and seconded by Commissioner Saltzman. (Y-4; Potter absent)</p>	<p>ACCEPTED PREPARE CONTRACT</p>
<p>Office of Neighborhood Involvement</p>	
<p>*887 Authorize grant agreement with five neighborhood District Coalitions to support civic participation services for neighborhood associations and individuals within their target areas from July 1, 2008 through June 30, 2010 (Ordinance) (Y-4; Potter absent)</p>	<p>181967</p>
<p>Portland Development Commission</p>	
<p>888 Approve the First Amendment to the Lents Town Center Urban Renewal Plan to expand boundaries by 140.05 acres, increase maximum indebtedness by \$170 million and extend expiration date to June 30, 2020 (Second Reading Agenda 812) Motion to continue Agenda Item 888, 891 and 892 to August 6, 2008 at 9:30 a.m.: Moved by Commissioner Saltzman and seconded by Commissioner Leonard. (Y-1; N-3, Fish, Leonard, Adams, Potter absent) Motion Failed. (Y-4; Potter absent)</p>	<p>181968</p>
<p>889 Approve the Twenty-Eighth Amendment to the Downtown Waterfront Urban Renewal Plan to remove 47.03 acres from the Plan area and standardize Plan amendment process (Second Reading Agenda 813) (Y-4; Potter absent)</p>	<p>181969</p>
<p>890 Approve the Tenth Amendment to the South Park Blocks Urban Renewal Plan to remove 3.20 acres from the Plan area and standardize Plan amendment process (Second Reading Agenda 814) (Y-4; Potter absent)</p>	<p>181970</p>
<p>891 Approve the Amended and Restated River District Urban Renewal Plan to expand boundaries by a net 41.98 acres, increase maximum indebtedness by approximately \$325 million and extend expiration date to June 30, 2021 (Second Reading Agenda 815) (Y-4; Potter absent)</p>	<p>181971</p>
<p>892 Approve the First Amendment to the Amended and Restated River District Urban Renewal Plan to expand boundaries by 8.53 acres and increase maximum indebtedness by \$19 million (Second Reading Agenda 816) (Y-4; Potter absent)</p>	<p>181972</p>

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Commissioner Sam Adams		
Office of Transportation		
893	Vacate a portion of NE 44th Ave south of NE Halsey St subject to certain conditions and reservations (Hearing; Ordinance; VAC-10053)	PASSED TO SECOND READING JULY 2, 2008 AT 9:30 AM
894	Vacate N Heineman St east of N Lombard St subject to certain conditions and reservations (Hearing; Ordinance; VAC-10054)	PASSED TO SECOND READING JULY 2, 2008 AT 9:30 AM
Commissioner Dan Saltzman		
Office of Cable Communications and Franchise Management		
*895	Extend term of a right-of-way agreement granted to Sprint Spectrum, LP to build and operate telecommunication facilities within City streets (Ordinance; amend Ordinance No. 178519) (Y-5) Continued to June 26, 2008 at 2:00 pm.	181986 AS AMENDED
*896	Extend term of a right-of-way agreement granted to AT&T Wireless Services of Oregon, Inc., to build and operate telecommunication facilities within City streets (Ordinance; amend Ordinance No. 178373) (Y-5) Continued to June 26, 2008 at 2:00 pm.	181987 AS AMENDED
*897	Extend term of a right-of-way agreement granted to VoiceStream PCS I, LLC to build and operate telecommunication facilities within City streets (Ordinance; amend Ordinance No. 178374) (Y-5) Continued to June 26, 2008 at 2:00 pm.	181988 AS AMENDED

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<p>June 25, 2008 motions on Items 895, 896 and 897:</p> <p>Motion to accept amendment to replace in line 3 of paragraph A December 31, 2009 with July 30, 2008: Moved by Commissioner Fish and seconded by Commissioner Adams (Y-1; N-3, Leonard, Saltzman, Adams) MOTION FAILED</p> <p>Motion to accept amendment to replace in line 3 of paragraph A December 31, 2009 with September 30, 2008: Moved by Commissioner Adams and seconded by Commissioner Fish (Y-3; N-1, Leonard)</p> <p>Motion to continue items 895, 896 and 897 to June 26, 2008 at 2:00 p.m.: Moved by Commissioner Leonard and seconded by Commissioner Fish (Gaveled down by President of the Council Adams after hearing no objections)</p> <p>June 26, 2008 motion on Items 895, 896 and 897:</p> <p>Motion to extend the term of the wireless right-of-way agreement, from June 30, 2008 to December 31, 2008: Moved by Commissioner Saltzman and seconded by Commissioner Adams (Y-5)</p>	
<p>Parks and Recreation</p>	
<p>*898 Authorize an Intergovernmental Agreement with Multnomah Department of Human Services Area Agency on Aging to support senior service centers for the period of July 1, 2007 through June 30, 2008 (Ordinance) (Y-4; Potter absent)</p>	<p>181973</p>
<p>*899 Renew Intergovernmental Agreement with Multnomah County to provide funds for Department of School & Community Partnerships for the SUN Community Schools initiative (Ordinance) (Y-4; Potter absent)</p>	<p>181974</p>
<p>*900 Authorize grants to five Portland school districts for out-of-school-hours youth programs (Ordinance) (Y-4; Potter absent)</p>	<p>181975</p>
<p>*901 Authorize a Sponsorship Agreement with Little League Baseball, Inc. to contribute in excess of \$150,000 to Portland Parks and Recreation for the construction of improvements at Lillis Albina Park (Ordinance) (Y-4; Potter absent)</p>	<p>181976</p>
<p>*902 Authorize a contract and provide for payment for the development of South Waterfront Greenway Central District–SW Gibbs St to SW Lane St–Phase One (Ordinance) (Y-4; Potter absent)</p>	<p>181977</p>
<p>903 Approve The Simon and Helen Director Park as the name for South Park Block Five (Second Reading Agenda 828) (Y-4; Potter absent)</p>	<p>181978</p>
<p>City Auditor Gary Blackmer</p>	

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904 Assess property for sidewalk repair by the Bureau of Maintenance (Second Reading Agenda 831; Y1066)
(Y-4; Potter absent)

181979

At 2:33 p.m., Council recessed.

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WEDNESDAY, 2:00 PM, JUNE 25, 2008

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

June 26, 2008

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,
OREGON WAS HELD THIS **26TH DAY OF JUNE, 2008** 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; Jim Van
Dyke Senior, Deputy City Attorney; and Ron Willis, Sergeant at Arms.

	Disposition:
*905 TIME CERTAIN: 2:00 PM – Adopt budget adjustment recommendations and the Minor Supplemental Budget for the FY 2007-08 Spring Budget Adjustment Process and make budget adjustments in various funds (Ordinance introduced by Mayor Potter) (Y-5)	181980
*906 Adopt the FY 2007-08 Spring Major Supplemental Budget in the amount of \$112,195,486 and make budget amendments in four funds (Ordinance introduced by Mayor Potter) (Y-5)	181981
907 TIME CERTAIN: 2:15 PM – Conduct a Proposed Use Hearing on State Shared Revenue (Hearing introduced by Mayor Potter) (Y-5)	PLACED ON FILE
908 Certify that certain services are provided by the City to establish eligibility for State Shared Revenues (Resolution introduced by Mayor Potter) (Y-5)	36613
*909 Elect to accept funds from the State of Oregon under the State Revenue Sharing Program for the fiscal year beginning July 1, 2008 and ending June 30, 2009 (Ordinance introduced by Mayor Potter) (Y-5)	181982
*910 Close the Public Safety Fund and rename the Federal Grants Fund (Ordinance introduced by Mayor Potter) (Y-5)	181983
*911 Adopt the annual budget of the City and establish appropriations for the fiscal year beginning July 1, 2008 and ending June 30, 2009 (Ordinance introduced by Mayor Potter) (Y-5)	181984
*912 Levy taxes for the City for the fiscal year beginning July 1, 2008 and ending June 30, 2009 (Ordinance introduced by Mayor Potter) (Y-5)	181985

At 2:55 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.

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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.] Portland city council captions paid for by the City of Portland

JUNE 25, 2008 9:30 AM

*****: [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 they are authorized to represent. Please read the first communication.

Item 832.

Moore: Glen owen?

Potter: Please read the next.

Item 833.

Potter: Please read the next.

Item 834.

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

Katie Nilson: My name is katie nilson. As someone who has worked in human services for approximately nine years with youth, men, women, and children in crisis, who has worked the past three years as a cascadia employee, working with education and community building with our homeless neighbors struggling with mental health and addiction issues, I have purposed my life around building relationships, bringing people together, creating understanding, facilitating dialogue. Though I admit I have not always lived up to these expectations. As of late, i'm humbled by the intensity of my reaction to your city's response to our cries for justice now for the halting of a failing 10-year plan, for a dialogue that will address the crisis today which is not so much homelessness itself as it is the implementation of the sit/lie and anti-camping ordinances that criminalize life in its most basic form. I stepped back recently to reflect on some of my involvement, questioning how my voice, our voices can be heard when we struggle to face you with the same respect we desire in return, but we keep coming back, trying new angles, asking new questions that look at the same issue differently, hoping that our message will exceed the broken-record status it seems to hold and that we can figure out a way to work together. But how can we work together when we are angry at each other and when we don't trust one another? Since this protest began, people without homes have been swept from camps more regularly. They're being displaced even before notices have been posted. It seems we have activated an even heavier hand upon those who have to hide to sleep, most of whom have never stepped foot in these chamber halls. There is a problem with what you are faced with here in this community courtroom where we bring before the public the sins of our elected officials. And please deal with us. We have come bearing testimony week after week for two months asking for dialogue, asking for a seat at the negotiation table, asking for something more than a simple dismissal through your resounding silence. Yet the laws live on, and the silence continues. We admit we have not always spoken in

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turn with patience, with kindness or respect. However, we are the community that you serve, a collective, resonant voice that is deserving of a dignified response. With 1950 postcards demanding the repeal of the sit/lie and anti-camping laws draped around the chambers and contains the names of supporters in our community, mayor Potter, your only response was, don't forget to pick up the cards. If you are going to continue enforcing the breaks of the constitutional rights, it's our responsibility to hold you accountable. My voice may be dissenting. However, it is not my purpose to be divisive. For any part I have taken in that, I offer my apology. However, I will not apologize to standing up to the continued unapologetic authorization of these inhumane ordinances. You owe us a response. You owe is more than a response. You owe us an apology. As we all know, words fail but actions count for everything. Thank you.

Potter: Read the next name.

Item 835.

Potter: Good morning. Please state your name when you speak. You have three minutes.

Larry Reynolds: My name is larry reynolds. Good morning. The homeless protest at city hall began 4/25 this year. I became part of this protest on 4/28/08 'cause I was swept out from under the hawthorne bridge by an officer, anthony zineni, at 11:00 p.m. In the evening. It was a rainy night. He told us to go to the other side of the river because camping over there was more accepted by the businesses on that side. We moved to that side of the river, and we were told the same thing over there, that we weren't allowed to be there. The camp that we were at, five other persons, was not trashed out. There was no drug or alcohol use. There was no violence. We were simply sleeping. We're taking a stand against the city of Portland and the bureau of police. We're just plain tired of having my and watching others around me have their human, civil, and constitutional rights violated by public servants to swear to protect and serve. I witnessed many, many times homeless or poor in this city get abused either physically or mentally by certain, not all, officers within the police bureau. Private security companies are also involved. Portland clean and safe, Portland patrol, security toss, tri-met security amongst others. The root of these abuses are the sit and lie ordinance and the no camping ordinances created by city hall and the Portland business alliance. They are enforced by the Portland police bureau and the security agencies. These two ordinances and their enforcement are in violation of our human, civil, and constitutional rights. These laws and ordinances must be repealed. The homeless and the poor are being targeted. We are being criminalized for being homeless and poor. What began as just a simple protest has blossomed into a far wider issue. What is important? What are our priorities? Governmental and individual. Who really cares? I.e. the community, government, this city council. Well, i've got quite a list, and this, being I am out of time -- this statement that i'm making now will continue at a later date. Thank you.

Item 836.

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

Rpbert Achambault: I'm robert achambault. I've been homeless for three years. You can give us an unoccupied building to use. Certain individuals may say it's not that simple, but most of the buildings need to be brought up-to-date and code with all building standards. 30% to 60% of owl houseless people do work. It's harder for 40% of the houseless people to get work because they have no storage. They have to carry all their belongings on their back. Beginning this year, 4000 people will lose their housing because of economic reasons and bank foreclosures. So as time goes on, it's only going to get bigger and worse. I am honestly doing everything I can do to be housed. However, I will not touch most of these shelters because the health department let them slide with unhealthy and unsanitary food serving. I have reason to believe the shelter has been using a certain percentage of federal funding to line their pockets. Most of the food donations either given to the houseless shelters are never seen by the houseless people. All the programs downtown are used to - - for people with drug issues, but there are a lot of people that don't use drugs. That leaves them

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with no choice in their mind but to do drugs for certain of them. I have nine pages of federal cases going towards cities and states for criminalizing homeless or houseless people. That's 19 cases. In one case, five people gained \$1000 in the city -- and the city and state had to pay their lawyers' attorney's fees. The city has had to drop the sidewalk obstruction and no camping ordinances. We, as in all people, need to gain pride in helping in each other's rights. Most people say none of us have skill, so I just brought a copy of my resumé to show. Plus I have more skills because i've been working since I was 15. The u.s. Government is pulling the same thing as kings and queens of the past, what started revolutions and revolutionary wars. Thank you. Have a nice day.

Potter: Is that the communications?

Moore: That's all.

Potter: Move to the consent agenda. Do any commissioners wish to pull any items from the consent agenda?

Fish: I've talked to commissioner Saltzman about pulling number 875 and adding it to our regular agenda when we take up the companion ordinances, 895, 896, and 897.

Potter: Ok. That will be placed at the end of the regular agenda then.

Fish: It would be placed, mayor, with the presentation on the related matters at 895, 896, and 897.

Potter: Does any member of this audience wish to pull any specific item from the agenda? Hearing none, please call the vote.

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

Potter: Aye. Move to the 9:30 time certain. Please read item 837.

Item 837.

Potter: Commissioner fish?

Fish: Thank you, mayor. As you know, I have the great honor of serving as the fire commissioner to the city of Portland. The Portland fire and rescue is requesting the city council today to adopt the second edition of the standard of emergency response coverage or ferc document. This document is the blueprint for how Portland fire and rescue delivers services to the city of Portland. The fdrc guides operational decisions and establishes objections in the fire and rescue strategic plan and annual business plan. Portland fire and rescue has been able to add resources based on demands identified in the 2004 edition of the fdrc, specifically a new rescue at station 11. This additional rescue has enabled improvement of response time and response reliability to station 11's fire management area. By adopting the 2008 edition of the fdrc, Portland fire and rescue can continue to maintain it's accredited status with the commission on fire accreditation international as well as continue to evaluate and address operational challenges and opportunities. I'm pleased to invite up to the microphone mark schmidt, who's the division chief of operations, alyssa brumfield, who is the project manager, and I also wish to acknowledge john norr, the fire marshal, and scott fisher, the chief training officer, also present here today.

Mark Schmidt: I'm mark schmidt here today requesting the adoption of the Portland fire and rescue standard of emergency response coverage document, as the commissioner stated. This will allow us to continue in the accreditation process with the commission on fire accreditation international. Is it ok if I mention chief klum's absence today. Chief klum is not here today because he had a reaction to a medication he's taking and was unable to drive in for the process, so i'm here today. I'll do the best I can to answer your questions on this process. Again, not to repeat anything that the commissioner said, but this is actually a blueprint for our operations, defining the current level of services in the fire bureau and our goals and objectives. The real value of this document is that it required us to do an in-depth review of our core values and acknowledge and commit to the challenges in this process. As you can see by the document in front of you, this was quite a commitment. The report includes a comprehensive coverage of the department overview, a risk assessment, response times -- that is our goals and how realistic they are -- our resources throughout

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the city, how they're distributed and concentrated, the response reliability of our resources which help drive the addition of 19 and 11, our resources, our service goals, and our future needs. The basis for requesting the implementation of a fourth battalion addresses a long-standing stand-up control issue we had. It identified efficiencies and opportunities with dispatch operations which have allowed us to improve some response times just within our call process. It originally was adopted in 2004. We will adopt it again in 2010 in preparation for the 2011 cfaI process, which is a five-year cycle. Adoption today of the sert document will allow us to continue development of the document for operations and allow us to meet the requirement of the cfaI accreditation process in 2011. I would like to defer to Alyssa Brumfield who has a power point presentation if you want to see that. I think the commissioner covered this in some detail, but we're happy to present the power point if you would like to see that.

Leonard: I just happen to know that this is a very tough standard to meet, so I think it would be good for everybody to see.

Alissa Brumfield: Ok. You're interested in seeing the power point?

Leonard: Yes.

Brumfield: I'll try to make it quick. As Mark mentioned, we did present the last to you guys in 2004 and it was adopted. There were several questions because it was the first time we went through accreditation. It took us two years to become accredited. Completing the standard in addition to doing our five-year strategic plan, probably 60% of the accreditation process there is a great value on doing a standard of cover and having that in place prior to accreditation. It really is a large component of our accreditation, and we want to maintain that with cfaI because we think it's a really important standard to meet. It encourages us to improve service delivery. By doing this every two years, I think it's very worthwhile. We tend to call it a circ. That's what we're talking about. We talk about deployment and response types, risks in the community and what our target hazards are so that we had adequate resources to handle the demand. We look at past performance, do a lot of trending and data analysis, and then we use that information to establish our goals for the future. Of course we develop future plans and goals for how we're going to deliver emergency operation services. Why adopt a standard of coverage? As I mentioned, it's required. This is one of the major components of the cfaI accreditation international. There are 122 currently accredited with three of those international. Those are all located in Canada. And city council is the only body -- governing body -- that can adopt this standard of cover. It has to come before council, so that is again why we're here today. It sets a clear level of service to the community that we serve as a way to acknowledge this is what we can deliver with the resources we have. We may have goals for the future, but this is what we can do now, so you may see a gap between our actual response time and our response time goals or objectives. That's because this is the level of service they can expect us to deliver even if we're not quite at our goal. We want our goal out there even if we're not quite meeting it. We have a leadership team comprised of individuals at all levels of the organization. We did have sworn and nonsworn, various ranks within the organization, different divisions recently sented. And we came together as a team and worked through the standard of cover. We made modifications. This time when we went through it, it was a lot less time intensive than 2004. We also utilized a lot of information technology sport in producing maps and running data analysis and queries. This is the composition of the cfaI team. We spent about six months reviewing this version and putting this together for you today. We did have review by lay door and management in addition to the core leadership team, and the core leadership team is our management team for Portland fire. All of our division heads and our human resource coordinator. Those are the elements of the standard of emergency response coverage document. We have an overview which talks about the jurisdiction we serve. It gives kind of the basic information about -- you know -- demographics and population. We also have risk assessment and frequency of calls, just to give you an idea of what is included in

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our jurisdiction, what areas we need to focus our efforts on. Call volume, magnitude of calls we're experiencing. Time in unseen performance, distribution of resources. So this is how resources are spread throughout the city, where they're located, concentration of resources, how many units we have at the various stations and how we are addressing service -- how we are addressing service needs in those different areas. Response reliability shows us the capability of the first due unit or first due station. Their ability to take their first due calls for service. So what happens if they're not able to take their first due call for service? A neighboring jurisdiction has to take their call, and that can impact response times. Response reliability is an important component of looking at service delivery. It shows how busy we are and how call volume is impacting our services. Performance is just raw performance data, response times, how we're meeting our response times or not meeting our response times in various response performance areas, so it could be hazmat, tech rescue, river rescue. It looks at performance in all of those areas. Future needs, we go through the department and identify needs for improving infrastructure, information technology improvement, improvements to how we're delivering our services from the stations. It may identify some of our internal fire systems and how they need to be enhanced to better collect data. I know there's some information in there regarding risk assessment, collecting better risk assessment information in the field. We have service goals where we address our plans for response improvement over the next one to three years and also have a large component at the end of maps, because maps are a great visual to show how we're delivering services, what hazards are out there. It has a great map in the back that shows response time to five fire block, which is very informative. Significant outcomes, we realize we're at seven minutes 10 seconds 90% of the time for response time, even though our goal is five 20, so we know we're coming short on that. We're wrapping up the general obligation bond and a lot of our stations are back in service and has been remodels. We don't have as much data. That needs to be pulled out of the analysis because of station closures. We're going to have more reliable data, data that won't have to be adjusted so much because of the geo bond project. We're anticipating to see that response time improved, but it won't improve significantly with the geo bond. You're going to see more improvement by actually adding units to the stations because there are so many calls for service that, without adding resources, it's going to be challenging to get that number down. We're doing our best to look for creative ways of doing that. We have dispatching where we're sending multiple units to various calls like residential alarms or commercial alarms. We've identified a 15 to 18 minute response time goal for those call types. We have team response reliability improved overall in the city since the last sirc document. I think that has a lot to do with the geo bond and the changes we've done to the station. I think we'll see additional improvement in the areas we've already rescued. We know 11 has improved by 12% from this time last year just by adding that rescue, and that's a huge improvement.

Leonard: That's out in tents?

Brumfield: Yes. As I already mentioned, geobond activities have impacted performance in various fire management areas. We're still not able to meet nasd 1710, a national standard for fire service delivery. It's very high bar to me and would be very challenging to meet that without literally doubling the units at all of our stations, so it's definitely a national standard, but it's challenging to meet. And we talked about this several years back with the mayor. How could we ever meet 1710? And the number was just so large that we kind of have to take baby steps and try to find ways to improve where we can in the areas that are the most lacking in the city and try to focus our efforts. We will be taking goals and recommendations that come out of the sirc and implementing those. We do an annual business plan every year, and so whatever objectives the council adopts through this sirc, we will fold those into our annual business plan and make those a high priority. We have baseline, unit, and station level ratios for staffing for the firefighters in this station. We hope to improve that data and improve the information we're getting out of the system by making modifications to our information technology. Right now we have a little bit of problem

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with consistency and how data is being reported in order for us to really get a good gauge of firefighter productivity and fatigue, so that's something we definitely want to focus on as call volume increases. We have a better understanding of the risks in the community but see there's opportunities for improvement through inspections and collecting more data about the buildings that are out there and what kind of hazards exist, so we're going to focus our efforts there as well. We have normally recognized our goals and standards. We have identified ways to incorporate any improvements into our long range plans and our annual business plans. We have labor and management working cooperatively on creating a plan that provides effective service delivery of emergency operation services to the public and we have a process in place for making sure that doesn't just sit on the shelf, that we adopt it into a regular schedule and that it's constantly modified and a did noted to reflect the services that we're delivering. And we have a thorough understanding of our performance and how we can improve. So, next steps, we are seeking, mayor and commissioner, your adoption of the circ by resolution. Once we have that adoption, we will be folding in our service goals and improvement plan to our annual business plan and five-year strategic plan. We will continue to modify and reassess the circ biennially, and we will continue to maintain our C.F.I. Accreditation, fulfilling their requirements that includes a compliance report as well as undergoing a full external assessment again at the five-year mark which will be in 2011, so you can be looking for that. That's all we have. If you have any questions, Mark and I will be able to answer that.

Potter: In five years, if it goes as planned, would you be then reviewed once more but perhaps also accredited at that time? What's the steps in the actual receiving of the accreditation?

Brumfield: We would have another circ document come before council in 20010 in addition to her five-year plan. In 2011, the external assessors would come to Portland and do a thorough review. We have to have those two documents approved before the assessment or they will defer us.

Potter: Do you have to have the resources at that time as well to fill the gaps to get down to the five minutes?

Brumfield: No, we don't. The goal of having a standard of cover -- and I'll let Mark interject here -- is that we have a plan in place for improvement. Whether or not it means you're going to get to that point in five years or 10 years, we just have to be able to show them that we are looking at it and we realize there's a gap and we're doing the best we can to identify the gap and do something about it.

Schmidt: The key here is to have a plan and to have it on the radar, and we certainly have that. Like I said, we've addressed some of it already through two of the rescues being added. We requested two more rescues, as you know, in this current budget, and that was based entirely on this document. So we're moving forward with the document. We always have it on our desk, and that's what we're using to justify.

Leonard: Is the bureau currently accredited?

Schmidt: Absolutely. In 2011, we'll go through the formal process again.

Brumfield: We got accredited in 2006.

Leonard: I missed that.

Brumfield: And we're doing an annual compliance report every year.

Leonard: That's a big deal.

Potter: It is a big deal.

Schmidt: The process itself is assessors coming out for a week and living with us here.

Leonard: I'm actually very familiar with the process, so I was looking through here to find something that said you've been accredited. It's a huge achievement for the bureau to receive that accreditation.

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Brumfield: We don't publicize it that much. We probably could more. We don't have the seal on our website.

Leonard: You do?

Brumfield: We don't have the stickers. We could.

Leonard: Clackamas county actually has on their rigs, I notice, their accreditation, so I think it's something --

Brumfield: To be proud of?

Leonard: Yes.

Potter: Yes.

Fish: I'm pleased that conditional rescue will enhance our response time to the good folks who live on mount scott.

Leonard: [laughter] They appreciate that.

Saltzman: Could you tell me a little about who is the committee on fire accreditation international? I thought you said most of the cities accredited are canadian.

Brumfield: No. Three are canadian out of the 122. The rest of national. The commission on fire accreditation is actually a sub unit of the center for public safety excellence. They've gone through a couple reorganizations. But most of the information you would find on cfai you're going to find through the center for public safety excellence.

Leonard: As I recall, they're city managers. They're not necessarily people just in the prior profession that includes that but a wide array of folks that are responsible for delivers services. So it's a very objective and tough group.

Schmidt: Yes. We have human resources folks come out, like you said, city manager.

Brumfield: There is a fairly strong fire presence, but it is a diverse background of assessors that come out and look as us, so they're hitting all angles of the organization. You're not just focused on emergency response. You are looking at all aspects of the organization.

Saltzman: So is the center for public safety excellence a nonprofit organization?

Brumfield: I'm pretty sure they are.

Saltzman: It will do lobbying?

Brumfield: Not that I know of.

Leonard: It is akin to the national league of cities. It is not part of that organization, but its analogous to the national league of cities.

Brumfield: I can certainly do some research and get back to you if you want to know.

Saltzman: Well, yeah. For my curiosity. Finally, I wanted to ask -- so there's no connection to the committee on fire accreditation and the nfpa? I forgot what that stands for.

Schmidt: 1710. No. None at all.

Saltzman: No connection?

Schmidt: Totally separate organization.

Brumfield: I'm sure they're aware of what we've group is doing.

Leonard: There are members that may belong to both organizations.

Saltzman: I see the value to the bureau in having to do something like this every couple years. Is there any value to the public? I mean, does that affect property insurance rates or anything like that, fire insurance rates, anything like that to be accredited?

Schmidt: We're at the highest rating we can receive for the city of Portland based on our geographic location and the river running through the center of down, so we're at the highest rating we can receive already.

Leonard: Personally, what I found valuable about this organization when I started focusing on it a number of years ago was it kind of removed the politics out of staffing and how many firefighters you need and what are the appropriate response times back when I was advocating for some of those issues. It was really a matter of how politically connected you were, whether you could make

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the case or not, the benefit to the public, it's an objective professional look at what your standards shush and removes the politics of it. If you meet these levels of services, you get accredited. If you don't meet them, you don't. What that means for the public is you have good response times, staffing levels where they should be, water supplies, adequate quantity. The rigs are maintained on a regular basis so you know they're going to run efficiently. They administer the bureau in an efficient manner. What I found valuable about this was an objective analysis of how a fire department should be run and remove the politics out of it.

Schmidt: To take it one step farther, if you don't have those resources, if you don't have those means, it requires you to set the goals to try and achieve them over a long period of time.

Leonard: The bottom line is, if you're trapped in a house and dial 9-1-1, you want somebody to answer the phone. You don't want to be placed on hold, and you want to be to get there as quickly as possible to get you out of the house. That's a very short synopsis of what this attempts to accomplish. So i'm very proud of your work.

*****: Thank you.

Potter: Further questions?

Fish: Mayor, I just would like to thank chief schmidt for pinch hitting today and compliment ms. Brumfield for an excellent presentation. A lot of good hard work in this project.

Brumfield: I'd also like to thank mark and carol on my staff for their involvement with the standard of cover and making sure it got reviewed and updated in a timely fashion.

Potter: Thank you, folks. Excellent job. Do we have folks signed up to testify on this matter?

Fish: No one signed up.

Potter: Anyone in this room who wishes to testify to this specific issue? It's a resolution. Call the vote.

Fish: Aye.

Leonard: Well, this, as I said, is something I focused on a number of years ago, this whole process, and I was really excited when chief wilson undertook this initiative to get this accreditation, and somehow I missed that it actually happened or I would have certainly said something at the time. So to the extent that I have had any success in the management of the bureaus i'm assigned I will give credit to my training to the fire bureau for allowing me to understand what it means to deliver good service, and it's something I learned my first year of being on the council i'd taken for granted until I was given assignments that frankly didn't live up to the standards I have used to in service delivery to the citizens. So if anybody in my current assignments wants to know what my expectations or potentially any future assignments I may have, they may look at this report or talk to chief schmidt or chief klum to learn how the fire bureau delivers services. I'm proud of the work you do, and i'm very pleased to support this excellent report. Aye.

Adams: I had to step out, but I was watching on the monitor. Sounds like very challenging and very doable, and I enthusiastically support it. Aye.

Saltzman: Good work. Aye.

Potter: I want to thank you folks and also the men and women of the fire bureau. I think you folks do a great job and I think our community is very grateful for the work you do to protect them. Aye.

*****: Thank you.

Potter: Please read the 10:00 a.m. Time certain.

Item 838: I'd like to invite gil kelly, director of the planning bureau, bill wyatt, director of the port of Portland, bill blosser with the advisory group chair, and we're going to also be having catherine ciarlo, planning commission, and jay sugnet, planning commission, and a representative of the port of Portland speaking. You folks begin where you need to.

Gil Kelley: gil kelly, director of planning with the city. You've announced who is here at the table. I just had a few brief introductory comments, and then I want to turn it over to bill wyatt from the

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port, executive director at the port of Portland. You'll remember that bill and I were here just about a year ago, I think it was, last june, which was an event that was preceded by a couple years worth of negotiations with the port of Portland and the city around how to kind of recast the long-range planning efforts for the airport in Portland and at a juncture well before that we had come to realize that the conditional use permit process really was not the way to master plan for a facility of this importance and this magnitude. We got your permission to set out on a different course to have more long-term certainty and more flexibility over time than the conditional use permit process would allow. So you may recall we went ahead with certain amendments to the old master planning system to get some immediate improvements under way for the airport and then launched this process for the longer range planning, and one of the advents in this was to marry up both the port's internal master-planning process and the city's land use planning process. Further conversation led to the notion of having that process be not only open to the public but actively engaged by a constituency of citizens and other stage holders in the formation of a project advisory group. We were lucky enough to find bill blosser to head that up, and he's still with us doing that. We've had a great group. So today we're really here just to give you a progress report on that long-range planning process. I have to say that i'm very, very happy about the way the partnership has worked and the way the community involvement has worked. We got off to a pretty robust discussion on the city's part to really come to a level of comfort around the table including the membership of that advisory group, and I think that we're both pretty happy with the way that it's worked out. So others will explain more in detail about that. The other thing I just wanted to let you know about, from my point of view as both a planner and a public administrator is that I think the particular way in which that group has been involved in the process for modeling demand forecasts, which you'll hear about in a moment, which is really the foundation piece for doing any planning, has been remarkable in its openness and its dialogue and its inventiveness and creatively, and I think the technical aspects of that modeling are really something we should all be pretty proud of, 'cause I think it really is breaking new ground and I think maybe is in contrast to another little project just downstream you might hear about tomorrow in terms of how the demand forecasting there didn't take into account the same kind of externalities, if you will, as the way they're traditionally viewed, in deciding what future demand might be. In this case, it was very, very explicit about taking on rises in fuel costs, a whole series of factors, 25 variables looked at, everything from perceptions and threats of terrorism to rising fuel costs at the airport facility. I think we truly have a state-of-the-art process here that everybody has embraced. It's just a great foundation piece for doing the more difficult work now in planning exactly what should occur over the next 20 years or so at the airport. So, with that, I just want to turn it over to bill.

Bill Wyatt: Great. I'm bill wyatt, executive director of the port of Portland, and I just want to echo gil's comments. I think, from our perspective, this has really been a terrific undertaking. I don't know that any of us would have predicted at the beginning that we'd be sitting here a year hence saying that, but it really has been extraordinary. If you sort of step back for a moment, what is in my opinion extraordinary about it is you have two units of government, the city, which has a very broad and important jurisdiction, in this case for planning with the port, which is the owner and operator of the only airport in our region that provides commercial air service and other air service facilities as well with obviously an enormous impact on the community. We have an obligation to do a long-range facilities plan. We do that periodically. Our partners in this, the f.a.a., are insist tempt appropriately that we're always evaluating and looking at infrastructure and being certain we're able to meet the long-term needs of our community on the one hand, and we have managed to integrate that process with a more traditional land use process, and I think doing both those at the same time is ideal and a lot easier said than done. So my hat's off to the members of the p.a.g. Whose leaders you'll hear from in a moment here who have really done an exceptional job of engaging people. It's a wide-ranging committee of citizens and interested parties. I'm sure that not

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everything they do is syntillating or fascinating. There's just a lot of heavy lifting to be done, some of it probably a little boring from time to time but in the end an extraordinary process. It's important to distinguish planning from facility development. At the airport, we develop facilities based upon demand, and part of this process is to try and understand as best we can what the demand will be. And if you can imagine where we were a year ago in terms of your service industry and where we are today, I think you gain some appreciation for why it's important not to try and read into the planning process a specific scheme for development, because times change. And I would be more than happy, if you want to get into this later -- we spent a great deal of time looking at not only the forecast, which the p.a.g. Has spent a great deal of time and energy on, but also talking specifically with carriers and with our own internal consultants kind of looking at the future and trying to understand what's happening and what it means, because this is all very fast breaking, and I think it does have the potential for some impact, but some perspective might be useful. So I want to turn this over now to bill blossom, who I hope is still pleased that he agreed, over a year ago, to take on this charge and who is remarkably well suited to the role, and I think he's just done a terrific job of helping us manage through not just a complicated process but one that is from time to time very charged. And I think his stewardship is a large part of why things have gone so well.

Bill Blosser: Thank you, bill blossom. I remember sitting here a year ago, and the agony that you and the port commission were going over -- through over the appointment of the members of this p.a.g., and I want to tell you that it was worth the agony. It set a tone that's been very important for us, and that tone has been we're inclusive. We want to hear all the issues. We want everybody to be at the table. And that tone has carried forward in the building of a working relationship among the 30 people in that group that is remarkable given the wide diversity of interests that are involved there. And so I compliment you for hanging in there and for insisting that we add some members. It really has worked out very well. We adopted our vision and values for the group unanimously, and recently we adopted the forecast unanimously, something that I thought could never possibly happen. And that came from a lot of hard work by the members of the committee together with the consultants and the staff of the city and the port, and everybody came down to a conclusion that this is a fair forecast. Particularly given all the uncertainties. And the staff will talk to you about that. So i'm very pleased with how it's been going, and I give a high degree of compliment to the staff of both the city and the port for working so well. They have really been open to considering any issue, put it on the table, we'll talk about it. And that has really set a very important tone. Sustainability has become a very important part of all of the discussion, and that will carry through clear to the final plan, and I think you'll see some very nice results out of that both on the planning side as well as on the city land use plan side. With that, I look forward to coming back and having the same tune to sing to you in another year or so, because I expect things will go nicely. If they keep going so well, we may even finish a year or so early. We'll see.

Kelley: The planning commission has a particular role, as you know, in this process in that they will be the ones making recommendations to you on the land use plan that comes forward as a part of this, and Catherine Ciarlo from the planning commission has been the planning commission representative to the p.a.g., and we wanted to allow her some time to give her perspective and thoughts today. Following the staff presentation, we'd also like to ask some had of the p.a.g. Members who are here today to come up and give you their thoughts.

Catherine Ciarlo: I would like to just echo what bill said.

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

Ciarlo: Pardon me. I'm Catherine ciarlo. I represent the Portland planning commission as a member of the p.a.g. I'd like to echo what bill said about including a number of members for the p.a.g. That maybe hadn't been in the original p.a.g. We have a 30-person group and, as you might imagine I a 30-person group does not come to decisions easily. It's very slow. It can be very

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painful. And there's a wide diversity of opinions. But I think that the real strength of the decisions that we have made has come from that diversity, and so I commend council for staying firm on that. As you might imagine, the planning commission comes to this with a real interest in looking at of course what the airport's interests are but also what are the city's interests that might not be immediately evident. We have a tremendous interest in having a viable and vital airport, but we also have a number of environmental interests in the area. We have wildlife interests. We have a lot of neighborhoods that are strongly impacted by the airport, and the committee has reflected a lot of those interests. As we made a few decisions -- and bill alluded to them, both some procedural decisions about how we tackle issues but also the forecasting decision -- I think what we've seen is a real willingness on the part of the committee leadership and staff to allow some of those neighborhood and environmental interests to really make their voices heard. I think that, as we move forward, that's going to be incredibly important. Just a word about the forecasting. I think that process was very illustrative of the larger p.a.g. in the sense that a subcommittee went into it. There were a lot of different opinions on how that outcome might look. The subcommittee came to an anonymous recommendation, brought it to the larger p.a.g., and that forecast really does reflect some of the variables that are out there today and that are going to be incredibly important as we make investment decisions for the future. For those investment decisions, as they affect some of the city's interests out there. So thanks. And I guess, when we had the presentation of the forecasting to the planning commission, gil alluded to this that there was actually a hearing for a different project at that meeting, and a number of people who were testifying on the other project, which was the c.r.c., came up and, in their testimony, said, wow: That was a great forecasting and modeling process, because it really did try to look at some of the variables that we're grappling with in the other project. So I think the role of that committee, the openness of the port to really have a process that considered some very tough variables, and then the city's pier reviewer played a very important role in getting us to a decision that we all felt was going to be a good decision for moving forward. And of course we still have the decisions moving forward about the facilities that grow from that, but i'm optimistic that, having had the experience of working through some of these initial tough decisions that, the committee is going to be able to hold it together and come up with some good decisions for you, hopefully within one instead of two years. Thank you, bill.

Potter: Questions?

Saltzman: Well, I think it's great to hear this process is working so well. I remember those discussions we had a year ago about the composition around the table. I don't know whether you were planning to leave this to others, but I think part of the news of this is the forecast as it relates to a third runway. Were you planning to talk about that?

Wyatt: Actually chris from our staff is going to come up and talk about the forecast specifically.

Saltzman: Ok.

Blosser: Didn't want to give away the punch line.

Saltzman: I was afraid the punch line might not said. I wanted to be sure.

Potter: Thank you.

Jay Sugnet: Jay sugnet with the Portland planning bureau. It's great having catherine and bill here. It makes our job easier, so this presentation will be fairly quick and painless. As we mentioned, integrated planning process definitely. Planning for the future cargo and passenger needs of the region. Sustainability is definitely a big part of this. And how do we plan for those needs while making sure that we ensure that future generations aren't impacted in terms of livability? We're also looking at how do we reinforce Portland's planning legacy, and p.d.x. has the reputation as a premier airport in the country. The planning advisory group is central to this larger public involvement process. The two products that will be coming back to council next year hopefully, the end of next year, are the p.d.x. master plan update and then the city land use plan, and it is a three-year planning process. What chris and I are going to do is talk about sort of where we

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are in the process and review the forecasted results, what are some of the next steps that are coming up, an update on the public involvement and talk just briefly about land use. Here is our schedule. We're about a third of the way through. Back in the fall, we did our goal setting kickoff. We have completed the forecasting phase that Chris will talk about. We started to look at what are the facility requirements based on those forecasts. And then, once we know what the facility requirements are, we can start looking at the alternative layouts for the airport. And then, at the same time, we're going to be looking at the city's land use plan and then come back for adoption in late 2009.

Chris Corich: My name is Chris Corich, the general manager of long-range planning for the port of perform and the project manager for the port. I'll talk now about the forecasts. They're important to us because it helps us gauge what we need in the future. How big might the facility be if growth does occur? What kind of service levels do we want to have? What are the impacts and possibly what are the timings? As Bill said, we don't build based on a forecast. We build based on actual growth. So, in some ways, that is not super important. The forecasting, as everybody said, has been a super collaborative process. We've used the planning advisory group. We've developed a concept of subcommittees. Now, there are 30 people on the advisory group, but there are a lot more people with an interest, and the subcommittees are where we really throw the doors open and bring other people in, and that's been a real success for us. We've gotten very deep into the issues of the subcommittee level and let them go down deep, wrestle them, and bring it back to the full p.a.g. As with stated, we had anonymous approval on this, really not expected and a real treat for us. Some of the key issues talked about in the forecasting process, clearly live the aviation industry, you have to start there, and it's all about the cost. Clearly live the fuel costs are hugely important to us. We're in an unprecedented level of cost there. The regional economic forecasts, we worked closely with metro. Metro provided population and employment forecasts. And if you take the number of people in the region times the kind of income that they have times the cost to travel, that's the basic formula that we used for forecasting travel demand, and we considered a number of other issues but, in the end, those were the three drivers. How many people, what kind of jobs and income do they have, and what does it cost to fly? There were ranges of values for each of those variables, and then we did some sensitively testing later. Clearly aviation technology was an important discussion point and different things that could replace aviation. Global trends, whether it's economic or environmental, were all considered in the process as well as unpredictable external events. If you were around in September of 2001, you know the kind of impact that that had on our travel. In the end, the graph that you see in front of you now is the passenger forecast, and there are three lines going off to the right of that. Now, we used a probabilistic forecast rather than a scenario based, so those three variables that I had, population again from metro, a high and low, regional income again from metro, high and low, and then travel costs, which included primarily -- the indicator there was cost of fuel, and that was the best surrogate we had. And so the formula was sampled at random 10,000 times. It's called a monte carlo approach. Our planning level, the guide that we're going to use, I was the blue line which goes off to the right, and it says 13.4 million in 2035, and that's enplanements, how many people get on the plane and most of the time an equal number get off the plane. That equates to 26.8 million passengers in 2035. And we'll be using that as our planning guideline, but it's also important to note that there's a low line, a line on the bottom there, the red line, and if the population doesn't materialize or the income or fuel prices go dramatically higher, then there is a scenario which says we will not grow a lot in that intervening timeframe. If the bottom line, which is the 10th percentile from a probability standpoint, is realized, then we'll be changing light bulbs and keeping things from leaking but we won't be building a lot out there. That would be essentially a flat scenario. The scenario that results in 13.4 million enplanements in the future is a fairly modest growth rate and results in us just a little bit less than doubling. Seattle airport's about 31 million passengers, so we would be a little bit less than that level of activity in the future. In addition to the modeling factors that were actually in the model, we looked at the

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sensitivity of some of the issues. If fuel prices were 20% higher than we forecast in our model, the range that we use, it would drop about a million passengers off in the future. That's kind of what would happen. There are other airports in the state that are continuing to develop. Redmond, for example. All flights from redmond used to come to Portland. Now redmond has service from salt lake city and los angeles. Salem now has other service. There could be a shift of up to 2 million people in the year 2035 in those airports develop. High-speed rail was analyzed extensively. We think the market there is primarily to seattle. Seattle is actually about number 17 on our list of airport partners. There's not a lot of people flying, probably more people in cars, but we made assumptions about how many people might be pulled out of airplanes, and we think that's about 180,000 people, and then videoconferencing is one of the other factors that we thought might pull 100,000 out, and these are just our best guess. 2035 is a long way out, but we felt like that and a number of other things were important to look at. One of the key indicators at the airport is takeoffs and landings. We took the number of passengers, the number of military aircraft, cargo, and general aviation and converted that into takeoffs and landings, and that's the graphic you see here. The line that's in the center is 378,000 takeoffs and landings in 2035. Now, the dashed lines that you can see there in the center of the graph are the forecasts that were done in 1999, and what's important to note, if you'll go to the next slide -- and commissioner Saltzman, you asked about the third parallel runway. The red line on the chart right there is about 500,000 takeoffs and landings. And when we get that busy, that's about when we think we'll need, if we ever get there, a third parallel runway. If you look at the dashed lines, I think it's the green one from the last forecast, had a very different view of the world, and we started to approach that red line. We're quite a ways away from that third runway. Just to lay everyone's -- allay everyone's fears, it's very far out there, if it ever occurs. The heathrow airport has 64 million people traveling through it and has less than 500,000 takeoffs and landings, clearly a very different airport, but it's not something that's coming. Do I think we need to plan for it? I think we need to talk to it at length, because they're not building a lot of airports. In terms of something that's a short-term future for us, it's highly unlikely. The short version of very interesting comments, this probabilistic approach is a significant improvement in the forecast but much more complex. It depends on his tree repeating itself to a certain degree we've made a commitment to come back and look at what the forecasts are trending toward the end of the process, but the pier reviewer was absolutely of benefit to the process. Our next steps will be to take the passengers and cargo and the operations number and look at what kind of facilities you might need and take a look at the follow-along studies. We haven't stopped planning since 1999 when we did our last master plan. So we'll take that information, lay it on top of the alternatives and see what it looks like. We'll also spend a lot of time on the land use plan. Sustainability is going to be a key focus of our project. How do you accommodate the levels of activities? Can we use the existing facilities we have rather than building something? And the idea of shares use facilities is something that will be central to our planning. Improvements and technology, in 1999 when we did the last master plan, you picked up a ticket from the travel agent and went to the ticket counter. Today you probably print your ticket on your home computer and go straight to the gate if you don't have bags to check. Pricing is a very interesting topic. F.a.a. 10 years ago was not talking about it. About a year and a half ago, they came out with a proposal for congestion pricing to manage capacity issues. We're nowhere near needing that, but that process, as it is developed for airports on the east coast, will be one that will be a tool in our quiver in the future. So the bottom line is we don't build unless we need facilities, and then we're going to try and do the best we can in terms of how we design them to minimize the impact.

Sugnet: Just to wrap up, the public involvement obviously is essential to the process, and beyond the planning advisory group, which is sort of the funnel of all this effort, we've also had a number of open houses. We actually had 300 people attend, one out at the airport in the fall. There's going to be another one july 12th out at the airport called air fair. We had an excellent website that the port

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helped put together that has been extremely helpful in communicating, use of web surveys and of course bureau and agency coordination has been critical. The early land use proposal, this is something that we wanted to get a handle on early, because there are some sensitivities. As Gil mentioned, there was agreement that we're switching from a conditional use to an allowed use, but from a lot. Neighborhoods' perspectives, that's what they're familiar with, conditional use and how to provide input. Part of what we need to do is make sure that the neighborhoods understand what the benefits are of switching to an allowed use. And we have been working with the subcommittee. That's one of the strengths of the process. The subcommittee really delved into the details, and they have made a unanimous recommendation to pursue a plan just last week. We'll be taking that to planning commission later this summer, and hopefully we'll be providing to city council updates periodically in the next year. Either in this type of setting or something less formal. So that's the end of our presentation.

Potter: Questions from the commissioners? Thank you very much. Was there other testimony that you wished to have, Gil?

*****: Good morning.

Potter: Please state your name when you speak.

Alesia Reese: Alesia Reese, 1905 Northeast Bell Drive, chair of the Woodland Park neighborhood association, member of Parkrose School Board. Good morning. The Airport Futures Group and its subcommittee on which I sit, the public involvement committee, represent a unique opportunity for neighborhoods to cooperate with public agencies and bureaus. Maintaining relevance and engaging neighbors on plans 20 years in the future is challenging. We are creating new ways to engage citizens, to inform, and to educate. The Airport Futures Group is a special effort extending collaboration between the community, city of Portland, and port of Portland. The effects of this cooperation demonstrate good stewardship and a legacy for the generations to come. Thank you.

Fred Stovel: Good morning, Mr. Mayor, council members. Fred Stovel, and I'm a member of the P.A.G. and a chair of the land use subcommittee on the P.A.G. This partnership has been just wonderful, and our ability to cooperate even with the consultants as things are being done and to change things has been really a change in the way committees can do business if public agencies and the city and the port, and it's been, I think recognized by everybody, as you've heard in testimony, the level of excitement and satisfaction is really great. Mr. Wyatt said he couldn't have predicted this type of happiness a year from now. The citizens hoped and predicted it back in '97 and '98 when we asked to work more collaboratively with these types of issues. I know it was foolhardy wish, but we're really pleased. And we are looking forward to this effort continuing not only through the finished product but after when airport issues. Roundtable started, our goal with commissioner Saltzman was to produce a permanent group that would lack at these issues that would be self-sustaining and cooperative with the city and the port, and I think we're practically there now, and I've really been excited and happy to have been a part of this. Thank you.

Adams: That is high praise indeed. Wow: I'm impressed.

*****: And there's more.

Maryhelen Kincaid: My name is Mary Helen Kincaid. I represent the North Portland neighborhood association on the P.A.G. I am the chairperson of the East Columbia neighborhood association. I live 2500 feet from the west end of the south runway, so I experience a lot of airport noise. And I, too, was skeptical of this whole process of 30 people in the same room from one end of the table, but it's actually been, I think, a model for all cities, all counties, and all government agencies. The port and the city staff have done a wonderful job of keeping all of us informed, bringing all issues to the table, giving everybody a fair voice, explaining issues, going out of their way to explain. You heard some of the terms today. Probabilistic, Monte Carlo effect. Try to explain that to a neighborhood association that that's how you came to agree to some of these terms. Actually, that's our challenge now is to be able to explain to the neighborhood groups what this process is, what it means to their

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liveability, to the sustainability of the area, and I think it's a challenge of all of us that represent the citizens and the different jurisdictions, businesses and the like. We've all worked well together, and now, as we go forward, we need to get that information, because, as we all know, if the neighborhoods and the citizens aren't up to speed and aren't aware, the process will be lost. And I think we all, as well as all of you, need to stay in touch and be informed so that citizens will have that information and we will be able to give them a well-rounded view so that, when age-old questions like the third runway come up, we're able to answer with those kinds of things that, yes, it is a possibility. But in 2035, this is how many passengers. So that it makes more sense and it no, sir a fearful thing that my house is going to be paved over and i'm going to have jets flying where my roses once grew. All of the other things said I agree with totally. The website is phenomenal. I don't know if any of you have visited it, but i've received rave reviews from citizen activists that are not directly involved in the process that they're able to go there and find really functional information that they can use to make their comments or ask questions. So I commend the staff, and I commend all of us that are sitting on the committee for the time that we've put in. The year has gone really fast. I thought that it would drag and be horrendous, and it's actually been fun, and i've learned a lot of things, and I think it's been a positive process, and I look forward to continuing.

John Weigant: Mayor Potter, members of the council, my names john weigant, northeast marine drive. I'm very grateful for the decisions that you made a year ago to add the airport issues roundtable, representative to the planning advisory group. That happens to be me. And so it's been an excellent opportunity. I'd like to focus a little bit on the history of the process, because I think the history has changed. And a lot of what we're looking at in planning is looking at history to attempt to see how the future will be different. And we are seeing some very different futures now. And one of the new futures that we are seeing, I think, is a c change, as fred describes -- fred describes by the public in embracing this process. So I started my research on population growth when I was an urban planning student nearly 35 years ago. It was my master's project at the university of Oregon. And have been involved in projections essentially ever since. The projections done in 1997 raised such a hue and cry that the port established an air traffic -- i'm sorry. The regional air traffic demand task force, which revised the projections downward, and the port stuck with those for quite some time until this process started. So I am pleased to report that I think projections, although still some concerns not entirely based on the data are far superior not only to anything we've ever seen at p.d.x. Before but I think they are a model for the nation. These are some of the best sets of airport projections I think done in the nation. And so i'm grateful for your support of this process. I think the public involvement has been outstanding. I think, in fact, it has worked, as fred said, pretty much as we designed it over the last five years. So thank you. Good job.

Potter: Thank you, folks, very much. Gil, are there others? Are there folks signed up to testify on this?

Moore: No one else signed up.

Potter: Anyone here who wishes to testify to this specific issue? This is a report. I need a motion and seconded.

Adams: So moved. Moved to acceptance.

Leonard: Seconded.

Potter: Call the vote.

Adams: Wow: Pleasantly surprised. Thank you all. And grateful. So bill and bill and the entire city team, chris, as those of you up here remember, this was very contentious, everything as to almost the shape of the table. Less who was going to sit at the table, so really excellent work. I couldn't have imagined it either and look forward to continuing it. Aye.

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Fish: I also want to say I thought the report was very interesting, and the forecasting that you're doing and the model, as I was listening to the presentation and looking at the charts, it occurred to me that this can be very helpful to the council, this approach, as we grapple with some other tough issues coming down the road. The first one that jumps to mind is the headquarter hotel, because you've made some predictions here, and you've put some factors that we need to consider, and they aren't just the threat of terrorism. They are other things like oil shock and changing consumer habits. So I appreciate that because I think it will help us address some other issues down the road. Aye.

Leonard: In one official capacity or another for over 20 years, i've dealt with a variety of directors at the port of Portland, and I can tell you that this report today would not have been possible under a director other than bill wyatt. I hope people at the top -- I hold people at the top accountable, and I also think the other side of that is they absolutely deserve praise when they do things that are right. And, bill, you've really got this right. And I just know from experience it would not have happen without your leadership, and I really appreciate, and I think it's important to acknowledge that. Yes, I was in the middle of this mix a year ago and would not have predicted we would be sitting here hearing what we did today. Bill, thank you for your work. And, planning, I appreciate it. I know you guys have been very instrumental in making this happen from the beginning. Thank you very much. Aye.

Saltzman: Well, when we formed, I believe it was, in 1999 the airport issues roundtable, the city council formed it, it was out of a feeling that there was not a lot of receptiveness by the port to concerns of citizens even though the port had a committee that had tins on it. It was very much felt by some who we heard from today, as a matter of fact, that the city needed more of a focus on airport growth issues and we needed to look at it. And i'm really pleased today just to sit here and hear members of the airport issues roundtables say that they're very happy with this process, to hear everybody say they're happy with the process. I'm sure the growth projections of the prospective third runway make everybody happy, too, but I do want to thank the excellent leadership. Gil kelly, bill wyatt, bill blosser for facilitating this, jay sugnet, chris, for all the hard work you've done. It's really amazing. And kathryn sharlow. To hear such praise for the process and people feel really bought into this and really feel like they have a say. And that's a great thing. That's something we always strive for in our city processes. Sometimes we succeed. Sometimes we don't. Looks like this one's a success. Good work. Aye.

Potter: I want to thank bill wyatt, the port of Portland folks, the planning bureau, and all those citizens out there that were concerned about the process but were willing to become engaged. I don't think it's an overblown phrase to say I think this is a watershed event in terms of how community can be part of a solution. I think government does a pretty good job basically, but they do so much better when they have citizens involved in the process. And so this is an important milestone for our community and for the airport that we engage citizens from the very beginning, instead of waiting until we're almost done and then asking what they think about the three choices we give them. I really want to compliment everybody on this. This is an excellent piece of work. One of the speakers said it is a good model for other bureaus and agencies to utilize in terms of how you engage the people that you're providing a service to, the actual design and implementation. My hat's off to all of you. Thank you very much. I vote aye. Thank you for being here today. Please read the 10:30 time certain.

Item 839.

Barbara Sack: I'm barbara sack from the planning bureau, and i'm here to present the planning commission's recommendation on the request for an extension of the a 10-year tax exemption for the hazelwood community. This request is for a term of 21 more years, the required affordability period for a portion of the units in the project. City council first approved a 10-year tax exemption for the project under the tod program on november 12th, 1997. The exemption is set to expire at the

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end of the month on June 30th, 2008. The request of the extension would be through June 30th, 2029. The TOD tax exemption program is a multifamily program that is available outside the central city in light rail station areas and in other transit-oriented areas. The purpose of the 10-year tax exemption is to provide an incentive for high density, mixed-income residential developments near light rail stations and other transit facilities. Under the TOD program, a project can receive an exemption for up to 10 years if it provides only 20% of its units affordable to low-income households. The 10-year exemption is meant to incent mixed unit projects. The state statutes and the TOD program regulations allow the term of a tax exemption to be granted for longer than 10 years for a project that provides low-income housing subject to a low-income housing subsistence contract and the term can be extended for the term of the affordability contract. This is different than the standards which is meant to incent new development. The purpose of allowing an exception longer than 10 years is to preserve low-income housing that's owned by private developers. Over the last two years, city council has held three hearings on tax exemption extension requests, and they were requests for projects that had exemptions under our central city program which is available in the central city and urban renewal areas. The TOD program is a similar program and is authorized by the same state statutes, and the criteria for extension is the same as the central city project. The Hazelwood retirement community is located at 119th and Davis Street near the 122nd Avenue MAX light rail station. The project is the upper three stories of a four-story structure over some small retail shops between a Safeway and Target store as part of a larger shopping center. The project has 120 units of congregate care housing for people 62 years of age and older, a mix of studios, one bedrooms, two bedrooms, and there's also some additional services provided for the elderly tenants. The use and type are on the second page of the planning commission's report in a chart, so I'm not going to go into them. P.D.C. has an affordability agreement that restricts rents on 80% of the units, and the restriction is that the units be 75% affordable to households and 75% median family income and low and then there are some units that have lower affordability requirements. The state of Oregon also has a regulatory agreement on the project, and it restricts the rent on 20% of the units, and this runs through 2029.

Leonard: What's the state of Oregon's requirement based on? What abatement? Is that the TOD?

Sack: The state of Oregon provided financing for the project. Both P.D.C. and the state of Oregon provided loans for this project. And that's why there's affordability agreement. And these are separate than the requirements of the TOD tax exemptions.

Leonard: Ok.

Saltzman: But those contracts will enable Hazelwood to seek an extension of the tax exception for 20 more years?

Sack: Right. 'Cause a portion of the project does provide low-income housing subject to what's called a public assistance contract to provide low-income housing, and that's been interpreted as the affordability agreements that are part of the loan conditions.

*******:** Right.

Sack: Right. If a project applies for the TOD tax exemption and there was no financing, then the affordability agreement on 20% of the units would only last for the 10 years. The reason that there's these longer affordability agreements has to do with the financing, and it doesn't have anything to do with the requirements of the TOD program.

Leonard: But the 20% for the TOD is a separate criteria from the typical recommendations that come from planning for abatement or low-income housing. Is that correct?

Sack: The TOD program provides an incentive for mixed-income housing, and we changed the regulations of the TOD program in 2006 to require some affordable housing for the 10 years of the exemption.

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Leonard: This is a very complicated subject, so i'm going to try -- and I know you know way more about this an we do, so i'm going to ask you to listen real carefully to my questions, 'cause your answers are good but they may not be exactly to what i'm asking.

Sack: Oh.

Leonard: And then I get confused. Always I understand what you said was that to qualify for the transit-oriented abatement, the project needs to have at least 20% of the housing units affordable.

Sack: Right. It's 60% m.f.i. Or below.

Leonard: So let's stop there. They've gotten that, and that's expired or is going to expire soon. So now they want another abatement. So the question i'm asking is the criteria for the abatement they want now. Does that fit into some specific standard that we have outside of the transit-oriented development abatements for abatements for affordable housing? I'm reading between the lines of what you're saying, and what i'm hearing is, no, it doesn't.

Sack: State statutes that enable the program allow an exemption for longer than 10 years for low hitch income housing subject to a low-income housing assistance contract.

Leonard: I want to stop you there, 'cause we have our standard here at council that we've used. Right? And the standard's been basically 60% or below median family income qualifies for an abatement. We've been very clear about that. As I understand it, this project may not meet that standard. Is that correct?

Sack: A portion of the project meets that standard.

Leonard: They're asking for an abatement for the whole project?

Sack: Right.

Leonard: So we have to look -- we can't parse it out. So my question again is does the abatement that's being requested meet the standards that we traditionally apply to other requests for abatements? And i'm hearing no. Part of it might, but other parts of it might not.

Sack: Past understanding of granting a tax exemption for longer than 10 years is it's only for low-income housing.

Leonard: Ok. So if that's the case, what is the standard that needs to be met to get an abatement for that? A 100% abatement. The planning commission is recommending 80%?

Sack: The planning commission is recommending that the abatement be extended for 80% of the project.

Leonard: For 10 years?

Sack: For 21 years. Because there's affordability agreements that run for 21 years.

Leonard: But does that recommendation square with what the staff normally would do on a project?

Sack: The staff's recommendation to the planning commission is that the tax exemption be extended for 21 years for a third of the project that's affordable to households less than 60% m.f.i.

Leonard: What is the justification the planning commission uses to override the staff's recommendation?

Sack: Low income is not defined in the tod regulations, and there's various definitions of low income. The planning commission was very concerned about preserving this project and decided to use the h.u.d. standards.

Leonard: Have they extended that to any other project?

Sack: No.

Leonard: But strictly speaking, this isn't a request for a continuation of the tod abatement, is it? It's a request for an a basement the for affordable housing.

Sack: Right. But it's under the tod program.

Leonard: They're requesting it under the tod program?

Sack: Right. You can go for longer than 10 years under the tod city program for low-income housing subject to a public assistance contract to provide low-income housing.

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Leonard: Is it fair to say that, at this point in time, the confusion arises because there's some lack of a clear standard by which we apply to projects? I mean, if the staff is recommending one thing and your bosses at the commission are recommending something different, it sounds to me like there's some confusion.

Sack: Well, the problem is that in the statute that enables this program and in the tod regulations, low income is not defined.

Leonard: Ok.

Fish: Can I jump in, please, commissioner?

Leonard: Yeah.

Fish: Because i've been playing catch-up on this, and there are multiple tax abatement programs, as you know, that we administer. And, for example, in january of this year, the council put a moratorium on new applications for the multiple-unit housing tax exemption program for a year except for projects that are 100% at m.f.i., 60% or below, which is how this council has defined affordability. My understanding, barbara -- and I want to take this line of questioning -- is that there are a number of developments that were done under the tod program for which people got a 10-year abatement which are going to start hitting the expiration of the 10-year period, and this may be the beginning of a number of requests that we have to extend that 10-year period subject to some understanding about maintaining affordability and some criteria. But I think, to commissioner Leonard's point, it's not clear to me that we actually have clear criteria currently before us and how we would evaluate requests for extensions of the abatement under the tod program. We do have the council expressing some skepticism about extending certain programs, and we do have apparently a disagreement between some of our jurisdictional partners as to what qualifies as affordable. We're at 60%. They're at -- the federal government's up to 80%. That's a healthy discussion. But this council has, I think, consistently says 60% is the ceiling on affordability.

Leonard: Can I throw out another thing? I think it was in 2004 or 2005 that council adopted a resolution eliminating abatements for market rate housing.

Sack: Under the central city program, that's true.

Leonard: Well, strictly speaking, that might be accurate, but that was intended to cover all market-rate housing in the city. While there may not be a written policy, I do think that the sense of the council has been, if I can just summarize when that is, that abatements are really no different than writing a check out to the owner of the property. It is direct financial subsidy that can be viewed as the city actually granting them the amount of property taxes they would otherwise pay in a check. So we need to be very careful about who and when we grant these abatements. I have been very consistent in saying that and voting that where we give abatements to those that could otherwise afford housing, it's inappropriate. I mean, abatements should be intended to be used for and I have consistently supported them for people who can't afford to buy or rent housing, particularly seniors. So I don't want the message here at all to be because this is a project for those 62 and above that I have a problem with the abatement. I don't. To the extent there are 60% or below -- and i'm even open to argument, as may be the case in this particular project, that for some other reason there might be other extenuating factors to raise that from 60 to some other number. I'm open to listen to that. To the extent we have market-rate housing with people who can afford to pay for that, I can't look at the folks here in the audience that are taxpayers and explain to them why they don't pay property taxes and these folks out here should. So this feels like it's getting into that area in some of the units. I understand maybe others not, but some it does, and I want to be fair. And fair means, just as commissioner fish is articulating, as these other projects start coming up, I don't want to do this kind of ad hoc case by case, stand on their own merits analysis. You know, we like this developer, and everybody here knows and respects the southern of this property a lot and want to give him the benefit of the doubt. On the other hand, we want to make sure it's objective and applies to everybody the same way, 'cause there may be somebody coming through here we don't

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like as much, and we shouldn't have that influence our decision as well. So what i'm looking for is some clear, objective standard, and my sense was that the staff's recommendation was closer to that than the planning commission's recommendation, and i'm just trying to sort that out.

Saltzman: I'd like to jump in. I think, with respect to the issue about market-rate housing not receiving a subsidy, I see that clearly, if a whole project is going to be built market rate and maybe a small portion is going to be affordable, but it's just the opposite here. It's a large portion is already affordable. A small portion is market rate. I think we all understand that market rate housing often helps achieve the affordable housing. The higher rents you can charge at market rate go to offset the rents you charge for lower income. So I guess, to me, i'm looking at this, and maybe we don't have clear policy, and maybe we're going to have to have some clear policy, but I think that fact for this project is that the market rate does help the equation of offering affordable housing. I find it persuasive for this particular project that we should grant the a basement for the entire project for the 21-year period.

Leonard: You're comfortable using that kind of analysis on every project that comes in? I mean, that kind of a subjective versus, say, an actual written kind of template that you lay over every project and you know you have percentages in the project of market rate housing, as you say, that maybe shouldn't be exempt and others that should be and just have a formula?

Saltzman: Well, I appreciate your point, I guess. I think what's missing here is the p.d.c. analysis that went into this project as well. And I guess we have their analysis and we have planning's analysis, and I think they're really operating under certain different standards. I mean their all doing their job. Planning looks at one set of --

Leonard: That's my point. That's the point I'm making is that's the part that makes me uncomfortable is there's these competing standards.

Fish: Can I jump in on this for a second.

Leonard: Yeah.

Fish: Because I think theres a way to reconcile the different views on this and I'm also mindful of the fact that mayor elect adams in some conversations that he's had with me has talked about his desire to try and create incentives for family housing, particularly in and adjacent to schools. There are different tools in our kit that allows us to get there but were going to have to have a council discussion about how you get there.

Leonard: Yeah.

Fish: And having clear guidelines and criteria. As I understand about this particular development its financially troubled and its been in some financial distress for sometime. There's about a 10% occupancy rate currently. Were up against the deadline in terms of the expiration of the t.o.d. program. We are talking at least with the folks in the affordable units largely elderly, elderly disabled. There is a - - while there is no risk of losing the affordability covenants that attach the units because that continues for I think 60 years under the --

Sack: They extend for another 20 years.

Fish: Another 20 years. There's no risk that the affordability piece will be lost. There is some risk of displacement of people who are living there because of the cost structure and the economic turmoil. Under these circumstances, there are a range of options which can be considered, and it's not unusual in these circumstances to have an owner consider a sale or transfer to a nonprofit or housing authority, which is in turn eligible for an entirely different array of tax credits, which make a project more affordable. There's workouts with banks, other things. So because i'm concerned we don't have clear criteria, that includes reconciling different standards of affordability between federal, state, and local, and because at the same time I think that there are some equities that attach to this project in terms of the vulnerable population, and the need to have breathing room to come up with other alternatives, one concept i'd like to float with my colleagues is that we consider something in the nature of a one-year abatement at a level that we're comfortable with that would be

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based on the information before us somewhere between a third, which is currently the number of units that are 60 or below, or up to about 80%, which would bring in the 75% or below. A one-year abatement, which can be renegotiated at the end of the year. My understanding is the financing, most of the financing on this particular development doesn't come up until about the 15th year. So there's no question about how this might impact underwriting and additional financing. But this would allow the folks that I work with at bhcd, for example, to discuss options with the ownership group about how to make this a more viable project. We want this to be successful and we care about the population. But there seems to be some financial issues that we could help them with.

Leonard: You clearly understand a lot of those more nuanced issues well, and I would be guided by your recommendation if you -- I don't know how the rest of the council feels, but I appreciate the way you're looking at this. So at the point at which today you're ready to make some recommendation, I would be -- .

Fish: Again food for thought would be a one-year extension at an agreed-upon rate the council is comfortable with, with an understanding that we will as a body take a look at our comprehensive strategy on abatements and try to --

Leonard: Which means you.

Fish: Which means I will work with my colleagues to try to craft -- a work session on this. But I will follow that, because I know there are different concerns that each of you expressed about different programs.

Leonard: Nice.

Fish: And then in the interim, we would be giving relief to the ownership group, and I think the equity here that's compelling is the nature of the people they're serving.

Leonard: Appreciate that.

Saltzman: I'm ok with that. The only thing I would point out, again, if you read the p.d.c. analysis, it says with the full abatement for all the units, the internal rate of return is negative 1.5%. Well below the standard we have of revisiting abatements if the internal rate of return is 10%. They're already down at minus 1½%. And to talk about bhcd figuring out their stuff, these are savvy people, they know what they're doing. I would say p.d.c. has to be there too. I think p.d.c. analysis is pretty telling. Any reduction in the affordability -- in the abatement for the entire project gets into internal rate of returns that are so low they can't calculate them.

Potter: I assume your intention was to keep it running as-is for a year to give time to the different groups to determine if there's a better way to finance and manage the -- .

Fish: That's correct. And we've had a chance in the last day to dig deeper into the financials, and it just -- just so we're clear, there are some financial troubles that the development group is experiencing. We don't condition abatements on whether you're having trouble managing your property or not. We look at the public benefit piece. Not on whether it's a well or poorly managed project. The purpose of the one year is to get us past having to milwaukie a comprehensive decision about who we're going to approach extensions on the program, because I think that's a council discussion we need to establish some clear criteria, or we'll be doing this piecemeal over the next couple years. It gives the ownership group breathing room, and the only question in my mind is whether there's an appetite to go above a third. I would certainly be comfortable with an abatement that is above a third for the one year, up to 80% depending on what council feels, and then we can revisit this next year.

Leonard: If this is being done in the context of developing a policy, i'm comfortable with the amount you recommend.

Adams: I would like to keep this endeavor viable for the next year, so whatever you believe it takes to keep them viable, I would welcome the -- as you and I have talked about privately, the overall sort of policy review of this and a variety of other housing related policies and goals and objections.

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It's really important to me as you and I have talked about that, that we not just have a discussion internal to sort of abatements, but that the discussion be grounded in and framed by why abatements, and I'm going to want to see some quantifiable goals for this whole area of city government work moving forward. Which we don't have right now.

*****: Let -- .

Fish: Let me ask Barbara and Gil. If we were, as a council, to amend the recommendation and scale it back to one year at 80%, do I have the authority to do that, correct, and would it provide interim relief so we could revisit the larger policy questions?

Sack: I can't talk about the financial condition of the project, but as long as we came back with a decision before June of next year, you could -- what I understand from the city attorney is you could extend it further if you wanted to at that time. You just can't let the whole thing expire.

Saltzman: I thought the purpose of the extension was to extend the fundamental abatement for a year.

Fish: I'm recommending that the recommendation of the planning bureau is 21 years at 80%. I'm suggesting that it be one year at 80%.

Kelley: The planning commission -- staff recommendation is somewhat different, but we're -- .

Fish: The number the planning commission adopted, which is defining affordability a little broader, but given the financial stress issues, trying to preserve some viability for the next year, scaling it back to one year, and having a discussion with p.d.c. with bhcd and the ownership group to see if we can work something out.

Potter: This is a tax exception at 100% right now.

Leonard: It's an abatement.

Potter: Excuse me, takes abatement at 100%. My recommendation is to continue it for a year. It does keep the solvency of the corporation. And that's important if we want to keep the people in the apartments.

Adams: Would I agree, and I would make clear for the record my support for what the mayor is recommending does not set a precedence for my evaluation of future projects. I think we all agree we need some sort of better strategic -- a better strategic approach, and the intervening year would allow for you to develop that working with us.

Saltzman: I would support that 100%. The study, whatever is going to happen, not necessarily be limited to 80%. I think there are legitimate public policy purposes where affordable units help subsidize affordable units. We ought not to though that recipe out, necessarily.

Adams: I also have -- just by way of daylighting some of the debate, I was a supporter of commissioner Leonard's earlier policy approach on this issue. Part of what I hope commissioner Fish looks at, if there is geographic differences in terms of the policy, I'm open to that discussion. But I think we need to end the practice of sort of blind citywide -- I still believe blind citywide abatements, long-term abatements are not in the best interest of the city. I'm willing to look at something more strategic, but it's got to be based on real-life facts and some numericals.

Fish: Just so people who are new to this process know, when the mayor elect says he hopes a junior commissioner looks at something what's probably at stake is not only bureau assignments, but monies for rent and copying and the offices of staffing, and a chance to be recognized at these proceedings. I may have muddled the waters unintentionally. The 100% exemption we're discussing is 100% of those units that would be eligible, correct? So it would be 100% of the 80%, or would it be --

Potter: The current is 100% -- all of it.

Fish: Of all the units?

Saltzman: Right, all 125.

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Sack: Right. You know city code and state statute don't say anything about extensions for market rate units. There's a possibility the county could come in and collect taxes for those units. I mean that's the only caveat.

Potter: It's not that much difference, but I think in terms of viability, if the purpose is to keep it viable until such time to make a decision then 100% would be -- .

Fish: Mayor may I offer a friendly amendment to the ordinance?

Potter: Please.

Leonard: Before you do, I need to make clear something. I am exceedingly uncomfortable with granting 100% abatement at the end of a 10-year tod abatement agreement that should have allowed this organization to financially prepare for the expiration of this abatement. I will do something I don't normally do. I will give the benefit of the doubt to those who want to extend this for a year at 100% only in the context of it being straightened out in the way that commissioner Adams has articulated it and the way I understand commissioner fish is approaching this issue. I will not support at the end of that project a recommendation that reflects what commissioner Saltzman is asking for. I cannot in good conscience, in granting abatements, grant them to people who can afford to pay taxes on the houses that they live in, when other people all around this city are struggling to meet -- make ends meet and pay their taxes. There is no public policy reason that I can think of that justifies a person who has the means to pay their taxes to not pay their taxes. I have spoken to every one of these issues as they've come up for six years. And I have articulated why I don't support, and the lions share 95% of I support and I explained why. It's because it allows people who otherwise can't afford to live in a decent house to move into a decent house with these abatements. Just so we're clear that my support of this doesn't end up being used against me at the end of the year, I will reluctantly support -- .

Fish: Commissioner, in fairness, though, the original staff recommendation was 33 and 1/3%, which tracks units which meet the city council definition of affordability. To get to 80%, you extend up to people at 75% or below.

Leonard: How do you get to 100?

Fish: To me that is the ceiling for purposes of our definition of affordability and covers all the affordable units in the project.

Leonard: Exactly.

Fish: I think we're better off sticking to 80% so we don't set a precedent. To go to 100% and include market units, for an extension of a program that had a 10-year shelf I think is going beyond what we need to help the developer out.

Leonard: Thank you. That gets me back to my comfort level. I'm fine with 80%.

Saltzman: I'll just say what I said earlier again, I think we're looking at in a very myopic manner and were not really looking at in terms of the full range of benefits housing like this does provide. First of all, we don't want ghettos, we want people of mixed incomes --

Leonard: To suggest to people who live in affordable housing necessarily are in ghettos is offensive.

Saltzman: I'm saying --

Leonard: People who live in affordable housing do have the pride of upkeep as well.

Saltzman: Can I finish what I was saying?

Potter: Go ahead.

Saltzman: I think we've worked as a city in fact its one of our goals to encourage people of mixed incomes to live next to one another. Not in separate neighborhoods. And that's one goal here. Second goal is that you can't ignore the fact that market rate in a project helps determine and make affordability possible. We can draw a myopic look and not have any more of these projects come forward and be built, and we can all pat ourselves on the back, but we're also at the same time screaming for more affordable housing. Where is it? If the nonprofits or private sector aren't doing

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it it ain't gonna to happen. So we need to take a broader look and not just sort of jump down the the rabbit trails that make good sound bytes. I know you can use the fact I support tax abatement for market rate, you can use that until the end of time, but it doesn't mean it's still not a legitimate tool of making affordable housing happen. It's a tool. And I don't think we should totally eliminate it.

Fish: Mayor, there's two ways we could approach this. We could make an initial amendment motion to amend, and cap it at 80%. See where the council is on that. And if that fails, move it to 100%. I don't know that we have a precedent here for going to 100%. And 80% covers all of the affordable units, which is the compelling issue before us. I would be cautious about going to 100%, even though you're saying it's rounding up. We are in effect setting a precedent that goes beyond the limited precedent we would be setting at 80%.

Leonard: Are you going to make a motion?

Fish: I would like to make the motion --

Leonard: I think we have more public hearing before we can do that.

Fish: I'm previewing that we can try two amendments and see what flies on council.

Potter: Further questions for these folks?

Kelley: If I could offer one clarification, I think you were getting to this, commissioner fish, the discrepancy you asked about between the staff position and planning, so we're clear as others come to testify.

Leonard: Yes.

Kelley: We do have guidance from the council on the tod program in one respect. So let me define the two respects i'm talking about. One is the level of income that qualifies as affordable, and the other is how many units -- how many units in the project are eligible. Is it only the affordable or is it potentially all? In the second dimension there, we have some guidance from council from 2006 in the tod program that said affordable units in a project are when you extend are eligible for extended tax abatement. What is unclear in the 2006 amendments you made is what affordable means, and so staff took the position that because you had fairly recently given us directives in an analogous program, multiple --

Leonard: You're trying to be consistent?

Kelley: It said 60%. We assume that's what you meant. The planning commission felt since it's not clear, the 80% might be workable in this project. So that is how it came to you, what you want to do in a one-year extension where you declare we're not setting any precedent I think is a discussion you should have, and we're not really part of.

Adams: I have further questions given the council discussion. We've heard it characterized that this development or this project is financially under water. Is that your understanding?

Sack: That's what I understand from reading the p.d.c. staff report. The planning bureau's province isn't --

Adams: I understand. I'm just asking --

Sack: The applicant is here --

Adams: Maybe we need to hear from the applicant. The other question I would have, then, is, if it's financially under water, is it financially impearl -- in peril over the next year, the difference between 80 and 100%? So if you don't know that we might be able to ask the applicant that.

Kelley: You should take testimony on that.

Adams: And I was here when this project went forward originally, and this was highly unusual project in its ambition and its location and in the mixed use nature of it. So I remember that. Were you here then?

Sack: No mike saba was the staff at that time.

Adams: Okay.

Sack: I'm the tax exemption --

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Potter: I think it was tied to the commercial development. Part of the zoning requirement was they had to have housing. I don't know if it was mixed, low income or what. But they had to have housing as part of the development itself. So this was the other piece, and they had to look around for someone who could develop the housing section.

Sack: Right. This housing was developed at the request of the city.

Adams: Maybe we could hear from the applicant if he or she is willing to --

Potter: Thank you. Could the applicant -- .

Kelley: The other thing I would say real quickly, we can come back and talk about this once you've taken testimony, but if a motion includes sort of fixing the policy dilemma over the next year, I think we want to talk to you about what are the dimensions of that, because they could be broad or they could be fix this within a broader understanding, or they could be fix the broader picture around family housing, which is a major effort. I think we want to talk about what you're intending as a scope ask when we might come back to you with a refinement of that scope in a few months or so.

Potter: Thank you.

Kelley: Coming back would include our partners in p.d.c. and bhcd.

Potter: Could the applicant please come forward?

Ben Walters: Depending on the outcome of the amendment, staff may also need time to adjust the other directive. So after the vote, we may need to take a few moments for staff to prepare a written amendment so that it's clear --

Leonard: This is an emergency --

Walters: It's an emergency, and given the fact that if the exemption expires, it can't be extended. We need to get this done today.

Leonard: If we make an amendment today, can we still pass it?

Walters: It's an emergency ordinance and it can be amended and approved today. But a sense of the council will not be sufficient, because there are other adjustments that will need to be made to the ordinance.

Potter: I apologize, I have a preexisting appointment, I have to attend to. My vote would be for the 100%, but if it's 80% --

Adams: Good morning mr. steffey, how are you?

*****: good morning. Mr. Mayor --

Adams: Would you like to make an opening sort of statement?

Dan Steffy: My name is dan steffy, i'm managing manager of the hazelwood group llc. We're located 11939 northeast davis. I would just point out a couple of things. I understand the sense of where the council is going. And I think it's important to recognize you really are looking at a policy decision here and it's apparent there is confusion about what was -- what your intent was in 2006 when you made the amendments to the tod program. It laid out a series of goals that needed to be accomplished for the tod program. Afford ability is one of those goals. But only one. Because of the confusion that results about what it is we're trying to do, it leaves us here at the end of the year with just a couple of days left to make a decision and move on and not have more opportunity to explore this further. But the fact is, this is a property that is built because of the tod abatement, it enabled a large parcel of land to be developed in a commercial use that is currently producing taxes for the taxing jurisdictions that would not otherwise be available. And now p.d.c.'s analysis clearly identifies that it couldn't have been built without the abatement, and it can't really sustain operations without an extension of that exemption or abatement. The reason is not and we're perfectly willing to sit down with bhcd, p.d.c., whomever wants to work with us on refining our operations. We're very proud of what we've accomplished with that property and the services that are provided to the residents. But if we can refine it with some help, love to work with somebody to do that. In our view, the issue comes not from the efficacy of the operations, but the constraints on the affordability

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that are imposed by the financing agreements that we have with both p.d.c. and Oregon housing. I would point out that the p.d.c. loan will pay off in five years. It's a 15-year loan. And we're current on all of our bills and we're current on all of our payments. That loan will pay off, it will help. That's about 60, \$70,000 a year. The Oregon housing loan cannot be prepaid. So we can't restructure the debt. It's a 30-year bond, it's a general obligation bond, it's absolutely cannot be prepaid. So there is no opportunity to restructure that debt, and with a normal financing, you could restructure the debt, downsize your payments, and you would be better off. So it's also important to note that council in the 2006 action set up a procedure to ensure that taxpayers are not subsidizing the profits of building owners and private parties. P.d.c. will review, has to review annually the exact payments from the ownership if the returns are exceeding whatever the limit is that's set by council. So you don't have an open-ended checkbook to write checks to developers in order to work with these projects.

Leonard: Can I interrupt you for a second? Do you give a financial statement every year to p.d.c.?

Steffey: Absolutely. We have for the last 10 years. Not only p.d.c., but Oregon housing. And those are audited statements, by the way.

Leonard: Ok.

Steffey: So you have controls in place, you set those wisely in place, when you amended the ordinance in 2006. I'll stop there, take questions. I would state my obvious preference, if you want to go for a year, continue what's there, let's work out what the policies need to be over the course of that year, and come on down, get inside our books, look at our operation, help us make it better if we can.

Leonard: Frankly I find your argument much more persuasive, with all due respect, than commissioner Saltzman's. I hear commissioner fish -- i'm aware of the work -- kind of work you do, I respect it a lot. I appreciate your openness in terms of your finances. And I appreciate you not disparaging people who live in affordable housing. At the same time -- so I frankly think you're making a good point. We do have confusing policies. I certainly do not want to inadvertently cause harm to the very people i'm trying to advocate for in the process. I hope you can also appreciate that the concern that I have, and I think the council shares is just not subsidizing those that can afford to pay their own way. And that's my only concern. And yet it's been a very consistent concern that i've had since arriving on the council in 2003. And that's -- i'm just trying to sort that part out.

Saltzman: Let me ask you, dan, when you and your partners conceived of this project, I guess in '95, '96, thereabouts, I know it was built in '97, I assume you looked at the need for the market rate housing in -- as part of the mix of how much affordable housing you could do.

Steffey: Absolutely.

Saltzman: And the market rate does in fact enable a lot of the affordability to happen.

Steffey: Yeah, every penny that comes in from whatever source supports the operations, pays the debts, pays the staff, provides the services for the residents, so you're absolutely correct, that the higher income residents are subsidizing the lower income residents. That's just the nature of the beast. I fully appreciate the fact that we don't want to be subsidizing people who can afford to live in other places. But by the other side of that coin, those people are being charged what we believe is very close to market rates. That money comes in enables us to keep the more affordable units in place. So it is a very complex issue. You don't build -- there are not a bunch of these things out there, because it ain't simple to do.

Saltzman: I just wanted that to come to your mouth, because commissioner Leonard doesn't believe me when it comes from my mouth.

Leonard: I do believe you, but in all seriousness --

Saltzman: You don't hear me.

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Leonard: I do hear you but to imply somehow that the market rate customers somehow prevent the site from becoming a ghetto is offensive. That's not an argument to use. It's unfortunately not confined to just re your remarks. We have a p.d.c. commissioner who has been -- who wants to say the same things, and it's not fair. It's not fair to people who are struggling, particularly the elderly. All i'm trying to do, I think the right thing by the way of those folks that are there caught in the situation that they are, without necessarily giving a gift to people who can afford to pay their own way. I mean I think there's nothing wrong with that.

Adams: If I could ask a question, and then we'll move on to your closing remarks. Is this project making money for you? Is the housing portion of this project penciling in for you right now?

Steffey: Right now it's not. Historically it's been up and it's been down. But it's never made a 10% return. It's been much less than that. And if we were hiring an outside third party management firm, we would be losing money.

Adams: You're managing it yourself to balance the books?

Steffey: That's correct.

Adams: And are you comfortable with whatever percentage that this council might agree to for the one year it might not be the percentage moving forward? In other words, are you comfortable that whatever we decide to do in the next year might not be what you get in the following years? I don't want to imply an implicit promise beyond a year at this point.

Steffey: Commissioner Adams, we're very willing to work and help be a part of the solution here and to find a policy that achieves what I think the city is trying to achieve with these various kinds of programs. The fact of the matter is, we pro forma our program, we expect to run at about a 96% occupancy. Today it's 90%. So we're running in the red at the moment. If we have to start paying any more property tax, we do pay property tax by the way on the dirt, on the land portion. It's not exempt. If we have to start paying more, it is just a further strain on the operation of the property.

Adams: What would you say -- help us craft an argument why anyone else that might come forward in your situation, in any other particular project that might come forward, how would we say no to them and yes to you?

Steffey: I can't give you very clear direction about that, but I can tell you the unique nature of this project. You've got commercial properties that are currently paying taxes that wouldn't otherwise be there. This property was zoned r.h. In the planning bureau's view, in 1996, would you have to build 800 units of housing on the site that now constitutes glisan street station. There wasn't a market for 800 units of housing at that location then. I suspect there's not a market rate on a hundred units of housing today. What we have to do in order to get this built, or the commercial developer would do somewhere else, the neighborhood very much wanted this commercial development, what we ought to do is go to the rest of the neighborhood and get them dubs on their property so there was no net loss housing potential. They willingly agree to do that. And even still, there needed to be housing on this site to get the zoning permits to allow to go forward. Everybody took a look at it, said it can't be done. Everybody sent them my way. So the closest today, saying, this is a tough project. It's hard to make it pencil. And we need all the tools we can. In the meantime, I think we're delivering back more than just the affordability. We're delivering some vitality to the neighborhood that wouldn't be here, and we're delivering a tax base that otherwise wouldn't be in place.

Leonard: I'm very familiar with the project. It's all that you say and more. It's very unique, which kind of furthers my point. I don't want to do something unintentionally that causes it to unravel, but I think you and I both would benefit by having a clear template policy that we can apply to your project and others like it in the future. The sent I have is you're not benefiting from knowing what the rules are, we're not benefiting, and i'm just uncomfortable on the fly doing this kind of thing. So I -- again, you made a stronger case than i've heard up to now to extending the sphawts quo for a

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year until we can sort this out, but we don't want that to be used against us as well in future considerations, either on your property or others.

Adams: Before I call on commissioner fish to propose a way forward, unless there are any additional questions, we'll see if there's anyone in the audience who wishes to testify, since no one signed up.

Steffey: Can I make one comment about the -- listening to words, I have only functioning vocal cord. Sometimes I -- people accuse me of speaking half truths. It's nice to see that maybe that's not the reaction I would get here.

Fish: I appreciate you came in and briefed me on this, you are a long-term partner of the city and particularly this commissioner on our big p and small p preservation strategy, and I look forward to working with you. This is an emergency ordinance that has some unique circumstances. I think the sense of the council is we don't want to set a precedent today, but we also want to be mindful of some of the challenges you face. If i'm reading my colleagues correctly, I think there is an appetite for a one-year extension at 100%, and then a commitment by me that I will work with planning, p.d.c., b.h.c.d. to bring before the council a more comprehensive review and update of our policies on tax abatements generally. So how do I address you now? You the president?

Adams: Whatever.

Fish: Whatever.

Adams: I need to check to see if there's anyone in the room who seeks to testify since we had nobody sign up outside. Seeing that no one has come forward, commissioner fish.

Fish: Well, i'd like to propose an amendment to the ordinance, to the mayor's ordinance, and we can work out the language with council, because it's an emergency ordinance, we have to get this down, but the gist of it would be that we grant a one-year extension of the tax abatement under the same terms and conditions that has been enjoyed over the past 10 years, meaning an additional one year at 100%, and that that be the amendment to the ordinance before us. And that we do this on a clear, non precedencial basis, and that the sense of the council is we'll revisit the policy questions and have some guidance for the applicant before the expiration of the one-year period.

Adams: It's been moved do hear a second.

Leonard: Second.

Adams: Do you need anything else, ben?

*****: [inaudible]

Adams: The vote is on the amendment we just heard from commissioner fish. Karla, please call the roll.

Fish: Aye. **Leonard:** Aye. **Saltzman:** Aye.

Adams: Aye. So can we do other business and come back to the final vote? Ok. So we'll come back for a final vote on item number 831, but we'll proceed to the regular agenda. Going from one - - we're on 877. This is a resolution, and it's been put forth by mayor tom Potter and commissioner nick fish.

Moore: I should probably read the title.

Item 877.

Fish: Before we take a presentation i'd like to update the council on the status of this. As the -- my colleagues will remember about two week ago we had a report from p.d.c. That outlined a number of options for the site. It was our decision to take the report and the testimony, but delay coming to any decision about a recommended use. Our role in this process is to make a recommendation to the department of defense, which is free to ignore our recommendation, or accept our recommendation and choose another applicant, or do whatever they'd like in essence. Because of the time frame last week, and because of my sense of the sense of the council last week, we filed an ordinance that designated an affordable housing use for this site. Since the filing of that ordinance, the council has received a determination from fema that another possible use of this site

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would be subject to a 100% free transfer, and that would be an emergency management facility. For that application to be successful, however, it would have to have an affordable housing component built into it. Either on site or off site. Based on the new information we've received, commissioner Leonard approached me and said that he thought the process may benefit from a brief delay in our decision to determine whether there are alternative sites in southwest Portland where an affordable housing piece could be constructed. Essentially using the savings we would get off a 100% free transfer of the land for emergency management to be allocated to some other site. It's my view that they would be a unique site, because we're talking about a four-acre site that could accommodate mixed use and the number of units at issue. I've conferred with the mayor on this, and the mayor and I are willing to set this over two weeks, if that's what the council chooses to do, with instructions to staff to look to other alternatives for siting the affordable housing, provided there still is a sense of the council that we're going to do affordable housing somewhere, either at this site or an alternative site. So with that information, I wanted to share that, because it may affect how you choose to conduct the hearing and take the public testimony, and I would defer to you on that, sam.

Adams: Thank you, commissioner fish. Is there discussion on council?

Leonard: I really appreciate commissioner fish's considering my request. It just appears to me there was -- there's a lot of energy around not just the neighborhood, but also the bureaus to have an emergency response location on the west side of the river. With the information that commissioner fish just discussed in terms of being able to receive the property on Multnomah, with no cost, if we use it for that purpose, but on the condition that we have some affordable housing component, it seems to me that we ought to -- that ought to help those that might be interested in having the Multnomah site used for an emergency response site help us find an appropriate location on the west side of the river for the affordable housing component that we're all committed to do. And I think commissioner fish is suggesting a couple week setover, which means we have I would say seven to ten days in which to identify some other viable location that we could take advantage of this unique position that we find ourselves in of having this property gifted to us by the feds versus having to pay a half of the -- up to a half of the cost, which is a million and a half dollars. So there's some financial incentives to do this. I think the neighborhood might be interested in that, so if not just the water bureau and park and palm would focus on at nature sites, but those of you who may be interested in having the housing component on an alternate site would help identify viable locations I think we might, with commissioner fish's leadership, have our cake and eat it too.

Saltzman: I'm comfortable with the recommendation contained in commissioner fish's resolution. I think we heard a lot of testimony to me, there were two outstanding proposals, and that was the community partners for affordable housing and the proposal by the west side christian high school. I think -- this sounds nice. I think the dynamics will fall flat on their face, in my opinion. First of all, the property value that we'll get 100% rebate is not enough to build a four-unit affordable housing complex anywhere. So even though we're going to get the full property value perhaps for free, that's not going to give us enough to develop four units elsewhere. With all due respect, I think that our emergency management, whatever, is really something that was cooked up on the fly and we're talking of spending upwards of 10, 15, \$20 million on renovating our emergency communication center in southeast Portland to accommodate home all the emergency management functions. So I don't think we need the west side facility and I don't think that it's been really that well thought out. I think it's trying to take advantage of an offer, but compared to a lot of thought and attention that's gone into by the communities for community for partnership on affordable housing, and the west side christian high school, I just don't think it's up there.

Adams: If I could put my two cents in, then we'll see what the direction of the council for moving forward. I have to respectfully disagree with commissioner Saltzman on the priority for a west side

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emergency response or staging area for transportation. At least the bureau that I most familiar with. Maybe it's because I leave and breathe the status of not only the willamette river bridges and their lack of seismic viability, potential lack of seismic viability in an earthquake, but we also have overpasses, 157 other sort of elevated structures, transportation structures around the city, many of which are on the west side that are unreinforced concrete. So I think it's absolutely essential that we put in place some sort of emergency response staging area, communication center, backup center on the west side as soon as possible. Having said that, I like the approach put forward by commissioner fish, and unless there are objections, we've got a long agenda, unless there are objections to commissioner fish's motion -- .

Fish: Just for the record, because keith is here, we'll just make clear that the two-week extension does not in any way negatively impact the time frame you're operating under in terms of the brac process and getting back to d.o.t. Correct?

Adams: So noted.

Fish: And I also want to be clear that while I think that commissioner Leonard's concept in the abstract is a good one, let's see if there's a win-win. If we can't find the right site under the right circumstances, i'm prepared to come back and move this ordinance. But I think we have a unique opportunity to do something great with two great community partners.

Leonard: But I want to clarify my remarks, because commissioner Saltzman's observation is correct. I don't agree pomona needs that site. We're building a site next to the 9-1-1 center, and I grouped that with what had been traditionally -- my concept is exactly as commissioner Adams expressed, we need a staging area for the water bureau and pdot to have apparatus on the west side of the river, not a poem. I'm only -- I only said poem because dave identified that for an important site for the staging area as well. So we don't need just to be clear, we don't need that site for the Portland office of emergency management, we need it for the water bureau and the Portland department of transportation to have a site to put trucks in case our infrastructure collapses. So as people are thinking, you need too do this quickly neighbors and water bureau and pdot, thinking of what we need, what we need is something that can accommodate the affordable housing component that's the condition the feds say we have to erect on receiving this property for free. And I do think the financial incentive is worth doing this because we've all committed to having a west side location anyway for the water bureau and pdot trucks. If we dock that at the same time saving a million and a half bucks, by just maybe constructing it a little different than what we were talking about a couple weeks ago, I think it's worth the effort. So I hope --

Saltzman: I didn't mean there's no need for a west side staging for emergency operations, I just felt this site has a higher and better use.

Fish: If the council is comfortable with the setover, I imagine there are people here from the neighborhood who are here to testify, and I have received a number of emails which have laid out thoughtfully some concerns about the impact of the affordable housing piece, pi believe commissioner Leonard and I have accepted an invitation to come to the neighborhood and see firsthand some of the issues that you have raised. That includes the impact on a street that's on the backside of the proposed development. So what I would -- people are free to testify on anything they want, I think in terms of the process it might be helpful for us to set this over, postpone the testimony, take advantage of a site visit, and come back in two weeks and have our -- make a record if there is an ordinance.

Saltzman: In two weeks you'll come back with a recommendation that may include another location for affordable housing? On the west side?

Leonard: Yep.

Fish: Yes.

Saltzman: It's not a current housing authority of Portland --

Leonard: We haven't even surveyed to look. It may or may not have something available.

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Fish: It doesn't affect the time frame, and it seems a reasonable request to at least consider those -- that option, and we'll come back in two weeks. But I would suggest that we ask the public to defer testimony today until we actually have an ordinance that's going to be acted on.

Adams: All right. So if I could try to get us moving forward --

Saltzman: I need one further understanding. With respect to housing authority of Portland, we heard last week they have significant properties in the west side already, and they need money to renovate them. So if -- we're not talking about this money going to renovate an existing affordable housing.

Fish: A separate --

Saltzman: Additional.

Adams: That increases what I hear. Is there something you're dying to tell news.

David Sheern: One clarification that might affect your recommendation. There's going to be a difference between what h.u.d. is going to require and the review -- david shern from the Portland development commission. What h.u.d. is going to require and the -- in the review and what council may request for the site. Head is only going to look at the -- h.u.d. is only going to look at the portion of the proposal that included provision of permanent supportive housing for homeless individuals. For each proposal that was approximately 10 to 20 units. And so the potential would be that h.u.d. would only ask for replacement of those 10-20 units, a provision of new supportive housing units off site. Not for completion of the entire development proposal that was put forward by sepa.

Leonard: To get the property for free, we're required to do a homeless component, and that need only comprise 10-20 units?

Sheern: Correct.

Leonard: I want to make sure we're clear, I am comfortable with meeting the requirements of h.u.d. to get the property free and clear. I know there's an interest on developing this site, four-acre site that reflects the fabulous plan that we saw, but if we can actually secure the Multnomah site for pdot and water bureau, find a site that would do the 10-20 units that would meet the criteria necessary to have it, I would be comfortable with that.

Fish: I would be less enthusiastic about it if we had that I erosion of the total number of units, but for purposes of our setover, we can just look for sites that could accommodate either.

Leonard: That's good. There should be a clear incentive on the part of the residents of Multnomah to -- in the next few days to try to identify such a site that ranges from 10-20 units, to the four-acre complex that we're talking. Am I hearing a nod? [laughter]

Adams: There will be a different set of Multnomah residents here.

Leonard: Doesn't it just need to be on the west side somewhere?

Adams: Outside of downtown. I think it has --

Leonard: It doesn't necessarily have to be southwest, it could be anywhere on the west side -- oh, it's up to us.

Adams: For me --

Leonard: Can we be clear about what we're directing people to look for?

Adams: We're going to take two weeks, led by commissioner fish to look for an alternative for the housing proposals. I'm interested in some people are interested in just the federally required replacement, some of us are interested in something that is more aggressive along the lines of some of the proposals that we received. And when we say the west side, we mean outside the downtown, which is traditionally i-405 to i-5 ring on both -- on -- the i-405 ring on the west side portion of the ring on the west side. Commissioner fish, do you want to clarify?

Fish: I think you did a good job. I remain somewhat skeptical we can get there, but I think at randy's suggestion warrants an analysis. And I think we should do that. I'll work with p.d.c. Over the next two weeks and then we'll come back.

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Leonard: Thank you.

Adams: So for those -- do you have anything to add? Thanks for your time up at the bench. Citizens have spent time out of their day to come down to city hall, and we've got a long agenda today. You've heard what we were up to, and we will take -- I would suggest we take testimony, i'd like you to limit your testimony to no more than two minutes, and if you're absolutely positively you feel the need to do this, given we are continuing it, then we will take your testimony. Otherwise i'd ask you to refrain.

Adams: We would be continuing this to a time certain on July 9th at 10:00 a.m. Welcome to the city council. Please state your name and you have two minutes.

Arnold Panitch: Arnold, i'm a board member of the community partners for affordable housing. I testified last time. I'm very, very much in support of your resolution that was written by Tom Potter and Commissioner Fish. And there are 14 whereases that justify this project. I'd like to read the first one that's very important to me, and that is that you follow the law in regard to the zoning of this. It is zoned whereas the four-acre Sears site at 2730 Southwest Multnomah Boulevard is zoned R.1 multifamily residential. That is the law, that is what we have agreed on over a very long process for zoning. Please follow the zoning ordinance and the zoning law, which is clearly in the best interest of the entire city and has been stated. One other of the 14 whereases which is wonderfully written, and I want to congratulate Commissioner Fish and the Mayor, whereas given current rents and vacancies in Portland, at least 27% of Portland residents cannot afford to rent a market rate two-bedroom unit and that some one earning the Oregon minimum wage of \$7.25 per hour would have to work 76 hours per week in order to afford a two-bedroom unit. Whereas in my opinion, zoning and the tremendous need requiring you to take the action. Let's not get dissuaded by the free offer. We have come to the table saying we will buy the property for whatever d.o.d. wants, we have private investors who have come to the table with millions of dollars in tax incentive credit tax projects from the federal government. We're ready to go. We've got our texts in the audience here, and we want you to go with this ordinance as written.

Adams: You don't want us to delay two weeks.
that's right.

Carole Unger: I'm Carol, i've lived in Multnomah since 1945. With our nation, state, county, and city economics in questionable situation as it is, and will probably remain there for some time, why would our elected officials vote to spend more monies to tear down the armory, spend more monies to rebuild, and spend more monies to maintain and support when we have this emergency service plan that can utilize the west side which is needed and FEMA has approved this need, the existing structures of Sears Armory will remain, and our tax dollars will still be in use and not destroyed. Why -- what have we become? A throw-away nation, state, county and city? Is this why we now have a questionable economic situation? While I am unable to do your elected positions, I am able to see the simple economics to this situation. Thank you.

Adams: Thank you for your testimony.

Karyn Munford: My name is Karen, I just want to say thank you for your consideration, and for the postponement. That gives us time. And I wanted to know where we go from here. We've got a job cut out for us.

*****: [inaudible]

Munford: At the conclusion of this i'll confer with p.d.c. And some of our partners. I've received a lot of emails from interested parties in the area. We'll come up with a protocol, we'll probably end up posting it on my website, which is on the city website, and then we'll try to act in an expeditious manner. Thank you.

Adams: Thanks for your testimony.

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Sophie Yarborough: Sophie yarbrough. I'm a resident that lives right behind the jerome sears facility. I just want to thank you very much for listening to us. Only in this country, which I was not born in, can you have this kind of democracy. Thank you very much.

Kay Durtsche: Just to include a couple of comments I didn't get to make last time, I want to be sure that some of the folks who weren't able to make it this morning can testify in two weeks. Is that correct?

Adams: Correct.

Durtsche: Ok. And the other thing is I didn't get a copy of the resolution because my computer is down and I might get it back tonight.

Fish: We'll get a hard copy here.

Durtsche: Just be sure other people that are in the same condition I am do get a copy if they want it. I want to be included in your walk-around, if that's what you are going to do. Ok?

Adams: Commissioner fish has been very generous to personally deliver to your home copies -- [laughter]

Durtsche: Thank you. One more thing. Dan, i'm really upset by your comment that this was brought -- that the communication center was brought in under the -- no more sly than what you did when we were trying to pinpoint a place for turning point. So I voted for you, and I will stand behind you, but don't make conditions on anything that says we bring something in under the sly.

Saltzman: I said on the fly.

Durtsche: Ok, well I heard it the other way. I just want to be sure --

Adams: Let the record show he said fly, not sly. Thank you, kate. We're going to continue this consideration of this resolution with the intervening process led by commissioner fish. We'll hear this again july 9th, time certain, at 10:00 a.m. Unless there are objections, it's so continued.

Moving on to 878.

Item 878.

Adams: These nominations are very worthy. They're reappointments, these people have been active members of the regional arts and cultural council, attendance is very good. And do I have a motion to accept?

Saltzman: So moved.

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

Adams: I thought that was after the motions.

Moore: We usually do it first.

Adams: Does anyone want to testify? Do you need to read it? Or did you? You did, ok. No one to testify. It's been moved. Do I hear a second?

Fish: Second.

Adams: Commissioner fish? Would you like to second this?

Fish: Yes, I would.

Fish: Aye. **Saltzman:** Aye.

Adams: Aye. Passes, we're now on council item 879. This is an emergency ordinance.

Item 879.

Adams: Good afternoon. How are you?

*****: Good afternoon, commissioners.

Adams: Please state your name. You have unlimited time to talk. We don't have unlimited time ourselves.

Randy Stenquist: I'll be brief. My name is randy Stenquist with the city's risk management. This ordinance resolves a federal civil rights lawsuit brought by linda wickerham against the city, police bureau, and former Portland police officer alleging fourth and 14th amendment violations.

Adams: We've lost our quorum.

*****: Commissioner fish is here, but he's over in the corner.

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Adams: Go ahead.

Stenquist: Although the incident that gives rise to the lawsuit occurred in february 2006, the plaintiff did not file a claim or lawsuit until after the officer involved had already resigned from the police bureau, given up his law enforcement certification, and pled guilty to official misconduct charges in october 2007. All of these actions by former officer were unrelated to any contact he had with the plaintiff. The police bureau takes citizen complaints alleging improper conduct by its officers seriously. Within 72 hours of the first allegation of inappropriate conduct by a then unidentified officer, police supervisors had a team of detectives assigned to investigate. Once that investigation confirmed the identity of this officer, he was immediately taken off of the streets to prevent any further citizen contact. The investigation continued, and the officer was placed on administrative leave. Shortly thereafter, in august 2007, detectives interviewed linda wickerham, who for the first time expressed concern about the manner in which she had been searched some 18 months earlier. She filed her lawsuit three months after that interview. Once served with a lawsuit, risk management began an investigation into the actions of the named officer. Based upon that investigation and based on the best information the city had at that time, risk concluded that Oregon law required the city to provide defense and indemnity for this officer. The city hired outside defense council to answer the charges against the officer and the city attorney's office has been representing the police bureau and the city. All of the parties involved in the lawsuit attended a judicial settlement conference in may with federal magistrate judge janice stewart. In that day-long proceeding, ms. Wickerham and her attorney agreed to a proposed \$30,000 settlement, inclusive of all attorney fees and cost. Of this amount, the city will contribute \$25,000, and former officer will pay \$5,000. Risk management and the city attorney's office believe this proposed settlement is the most cost effective way of resolving this litigation, should the matter proad to trial, the expect can expect to incustomer more legal expenses as well as the possibility of an adverse jury verdict.

Adams: Thank you for your explanation. Any questions for you from city council?

*****: [inaudible]

Adams: Any other questions? Assists thank you. Anyone here who is signed -- is anyone signed up to testify.

Moore: I did not have a sign up sheet.

Adams: Is there anyone who would like to testify on item 879? We'll proceed to the vote.

Fish: Aye. **Leonard:** Aye. **Saltzman:** Aye.

Adams: Aye. We're going to go back to -- we just received the proposed amendments to council item 839.

Item 839 continued.

Adams: Are there any questions on the amendment that have been passed out in written form?

Fish: I'm ok.

Saltzman: Ok.

Adams: This amendment has already been moved and seconded. Is there anyone here that would like to testify on this amendment? Thank you for coming to the bench.

Leonard: We should read it so people hear it. [reading amendment] the council believes a one-year extension of the tax exemption would be appropriate to allow the council to examine and develop a more detailed policy regarding extension of tax exemptions for affordable housing. Amend directive paragraph a. The request for an extension of 10-year tax exemption provided by chapter 3.103 of the municipal code of the city of Portland Oregon and o.r.s. 307.600-637 is hereby approved for a one-year period until july 30, 2009 --

Leonard: That's june 30th.

Moore: Excuse me, june 30th, 2009. Hazelwood retirement property on northeast davis street in Portland, Oregon, property tax account number r170779. Amend directive paragraph c, the comment -- commentary in exhibit a, planning commission's report and recommendation on the

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requested extension of the tax exemption granted to the hazelwood retirement community relating to the background on tax exemptions for affordable housing is adopted as legislative intent and findings.

Adams: Is any discussion on council? Is there anyone in the room that would like to testify on this proposed amendment to council item 839? If not, let's proceed to vote.

Fish: Aye. **Leonard:** Aye. **Saltzman:** Aye.

Adams: Because it is not press decent shall, because the overall project does pay taxes and it was done -- because the owner's willingness to do open books, and because the city council's policy is in uniform or necessary coherent, I vote aye. Item 839 is approved by the city council. That takes us back to I believe item 880. Second reading only.

Item 880.

Fish: Aye.

Leonard: This is a very exciting project. I look forward to being there when the ribbon is cut. I think september '09. Hopefully with then mayor Adams and commissioner fish and commissioner Saltzman in attendance. Aye.

Adams: The randy Leonard city archive.

Leonard: It has ring to it.

Adams: Aye.

Fish: Is there some question about whether i'll be actually in service?

Leonard: There is no question. I just mean your schedule that day.

Fish: I'm not aware of any recall petition. Yet.

Adams: Item 881.

Item 881.

Adams: We have staff here to provide us the most succinct explanation of this item ever heard by the city council.

Ken Rust: Good morning commissioner Adams, members of the council. For the record, ken rust, the director of o.m.f. we'll be brief. I know how excited you are about the implementation of a new accounting standard.

Adams: I was up late last night.

Ken Rust: This is a governmental accounting statement number 45 which will be implementing that deals with other post-employment benefits, which generally include health benefits, medical, dental, or vision. The city of Portland does provide other post employment benefits in the form of health insurance, but we do that because we allow retirees to buy at our group rate. And that group rate as we have implemented it under state law, does result in what is called an implicit subsidy. That's the thing that's being measured under this accounting standard. So how much is our unfunded liability in the report this morning that has been produced by our consultants shows that to be about \$98 million. Will we be reporting that on our balance sheet? No. The start says if you continue your practice that we have on a pay as you go basis, each year you'll begin recognizing a portion of that liability on your balance sheet. If you pay and fund all of your benefits as earned and any of your unfunded liability, you actual bring record no liability. So what are we going to do? We're going to continue my recommendation to the council, to continue to do exactly what we're doing, which is basically blending these cost and paying them as you go. Why will we do that? Because i'm not convinced that there's any money for the city to save to try to prefund these benefits. It's extremely complicated little problem we have, the liability is not that great, the scale of our financial operation. I've talked with my colleagues across the united states. No one I know is prefunding their implicit subsidy costs associated with these benefits. I don't think it's a large problem for us, that's my recommendation. We'll continue to monitor that and if we think there's an opportunity for to us save money and do something different, we will. That's the report that's in front of you.

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Adams: Questions from the city council for staff? Is there anyone in the room that would like to testify on this matter? We can proceed to the vote on item 881. First I need a motion to accept.

Leonard: So moved.

Fish: Second.

Adams: It's been moved and seconded we accept item 881. Please call the vote.

Fish: Aye. **Leonard:** Aye. **Saltzman:** Aye.

Adams: Aye. So approved, we're now on emergency ordinance item 882.

Item 882 and 885.

Adams: Good afternoon.

Anna Kanwit: Good afternoon. Operations manager for the bureau of human resources, Patrick Ward is here as well. I'd also like to ask that we read ordinance number 885, it's a companion ordinance to 882, and have you consider both at the same time.

Adams: Unless objection, please read the ordinance title.

Kanwit: I will be brief. Just a little bit of background. With the support of their directors, the chief engineers from water transportation and environmental services came to the bureau of human resource and asked us to look at our current wage structure for the engineering series in light of serious shies they were facing in terms of recruiting and retaining engineers. We did look at first the wage structure in comparison of the public sector and our wage structure is adequate, but given the shortage of engineers that are coming out of the colleges and universities, and the pressure from the private sector, we were convinced that what our current wage structure was standing in the way of our ability to recruit engineers and in terms of retention as well, because what's happening is there's pressure on the bureaus to promote existing employees in that series in order to retain them. I should mention that management from the bureau of development services was included in this discussion as well. Basically what the ordinances do is they create a new compensation structure. It's built on the adjustments first represented classes, engineering associates, senior engineering associates, the salary steps are adjusted by 3% plus we added two more steps. That's actually the ordinance. 882 is proposing a similar payment of 3% and the range to the nonrepresented classes senior engineer supervising engineer and principal engineer. Adoption of the ordinances allows this change to occur, including the letter of agreement that amends the contract to make that change. An additional change will eliminate what's currently in an -- an inequity that occurs if we promote an existing represented employee in the engineering classification to a new classification. They have to go to the -- first step if we hire someone from the outside, into one of those represented classifications, we have the ability to put them at a higher step. So the letter would remove -- basically fixes that and allows us to promote existing employees to a higher step as well. We think this is a very important step, although not the only step, and add -- in addressing what's an ongoing problem in terms of our recruitment and retention of engineers, but is important. This is also excellent example of really productive work between bureau of human resources, operation bureaus, and the city of Portland professional engineering association to address this problem. So we are asking you adopt the ordinances. Patrick Ward is here if you have questions. Mark Bellow is here, if you have questions of him. Susan Bailey from the water bureau can talk about other recruitment issues if you're interested, and Dan Kidnapper, principal engineer is here as well. But only if you have questions.

Adams: Questions from the city council to staff? Hearing none, is there anyone here that would like to testify on council items 882 or 885? Seeing no one has come forward, these are emergency ordinances. Please call the roll.

Fish: Aye. **Leonard:** Aye. **Saltzman:** Aye.

Adams: Aye. 885.

Item 885.

Fish: Aye. **Leonard:** Aye. **Saltzman:** Aye.

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Adams: Aye. Thank you. So approved, we're on item now 883, which is also an emergency advance ordinance.

Item 883.

Patrick Ward: Good afternoon commissioner Adams. I'm Patrick Ward with the bureau of human resources. Agenda item 883 amends current labor agreement between the city and laborers local 483. For the recreation bargaining unit to forbid seasonal recreation support employees to work up to 1200 hours in the calendar year. At present the labor agreement limits employees to 860 hours in the calendar year. This change would permit these employees to work the same number of hours as other seasonal employees in the city under the recently amended human resources administrative rules. The bureau brought this forth, local 483 is in support of it, and we recommend passage.

Adams: All right. Any questions from the city council for staff? Anyone here in the room that would seek to -- wants to testify on agenda item 883? Seeing none, Karla, please call the roll.

Fish: Aye. **Leonard:** Aye. **Saltzman:** Aye.

Adams: Good work. Aye. That gets us to emergency ordinance council item 884.

Item 884.

Patrick Ward: I'm Patrick Ward of bureau of human resources. The agenda -- the reading of the ordinance describe what's this ordinance will do. It was brought -- the only item I have to add to this is that this request is brought forth by the bureau of environmental services labor management committee as an issue to address a requirement that the employees have to wear specific safety shoes while working inside the tunnel. Recommend passage.

Adams: Any questions from the city council for staff? Is there anyone in the room that would like to testify in this matter? Car larks please call the roll.

Fish: Aye. **Leonard:** Aye. **Saltzman:** Aye.

Adams: Aye. That gets us to council item 886. Which is a report.

Item 886.

Adams: Tell us what this is about.

Jeff Baer: Good afternoon commissioner Adams and members of council. Jeff Baer with the bureau of purchases. This is a requesting authorization to execute a five-year price agreement for the I.E.D. modules for the traffic signals and the vendor that we're awarding this to is advance traffic products out of the state of Washington. They're in full compliance with their equal benefit requirements. We did a competitive selection process by way of invitation to bid. We received three bids. They're the lowest responsible bidder which we are awarding it tomorrow the initial amount -- we expect to spend roughly \$2.1 million. The additional one-year period is going to be a bulk of those purchases, about \$1.8 million. And roughly about 70,000 dollars a year. We have a representative from pdot.

Adams: There's underline and strikeout on the attached. Are you aware --

Baer: No, I'm not.

Adams: What's the status of the underline and strikeout? Which I've never seen before.

Baer: I don't have that on mine.

Leonard: I just did that on your copy to see if you were paying attention.

Adams: I passed.

Baer: I'm not sure why that's there. We still need the option to extend up to four additional years. That should not be in there.

Adams: We'll let the legislative record note it's a scrivener's error.

Baer: Correct.

Adams: Any other questions? Anyone in the audience that would like to testify on council item 886? I need a motion to approve.

Leonard: So moved.

Saltzman: Second.

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Adams: Approval of 886. Please call the roll.

Fish: Aye. **Leonard:** Aye. **Saltzman:** Aye.

Adams: Aye. That gets us to council item 887. It's an emergency ordinance.

Item 887.

Brian Hoop: Good afternoon. Commissioner Adams. I'm Brian Hoop with the office of neighborhood involvement, manager of the resource center. And the office of neighborhood involvement is excited to ask for your support of these grant agreements to provide financial limited staff assistance, resources from the city of Portland nonprofit district coalitions, central northeast neighbors, neighbors west-northwest, northeast coalition of neighborhoods, southeast uplift neighborhood program, and southwest neighborhoods inc. And this -- these grants will provide services by which people of Portland may effectively participate in the civic affairs and work time prove the livability and character of their neighborhoods and the city. These organizations are critical partners working with o.n.i. to implement the five-year plan to strengthen community involvement in Portland. This was the -- this is the road map adopted by city council back in february 27th of this year. Which includes three concrete -- three goals that have a number of recommendations. The goals being increase in the number of diversity of people involved in their communities, strengthening community capacity and increasing community impact on public decisions. And why we wanted to take this opportunity to give -- check in with you on progress we're making, we've been busy with these district coalition partners over the past several months, crafting an updated grant agreement that respond to these goals and the numerous recommendations in the five-year plan. And the agreement in your hands reflects a more comprehensive listing of the functions that are commonly expected of all the district coalitions citywide. For example, some of the functions, several examples are, such as fostering network and collaborations between neighborhoods, business district association, and other diverse community organizations. And promoting effective communications to keep the community informed about issues, opportunities for involvement, and ways to plug into their communities. So I was hoping to be able to just show you a couple of examples of highlights to show successes of how neighborhood groups have been using additional resources that council has supported in the last several years. For example, helping strengthen community capacity. A number of you have been supportive of neighborhood small grants program. This is \$200,000 per year with new resource to help with community building, attracting new membership and sustaining people who are already involved. In the first year, 92 neighborhood groups, business and community groups were awarded grants ranging from 400 to 4700 dollars. These new additional leverage dollars were in the amount of 683,000. 38% of the -- these awards went to underrepresented community organizations identified as serving people of color, low-income, youth, and people with disabilities. And one example of the woodstock neighborhood association got a grant for 3500 dollars, to help organize their third annual neighborhood picnic last summer. The funds supported more than 800 volunteer hours that led to 1200 people who attended that neighborhood picnic to enjoy live music, local food, and games. And organizers said the additional funds written are instrumental in increasing participation, especially among new younger adults, parents with kids in the neighborhood and minority community members. A quote that best exec identified the community building spirit of neighborhood association efforts, one participant said, I met the girl scout troop at last year's picnic and have been volunteering with them ever since. Another key area was around -- promoting effective communications. With your support you provided an additional \$95,000 per year to district coalition for communications to encourage community members to become more aware and engage with association activities. Some of the ways these funds have been put to use, three coalitions are improving our initiating newsletters, expanding content, redesigning layout and increasing distribution. Four coalitions are improving or creating new coalition web sites, they include interactive calendars, blogs, news groups, increasing capacity to handle more neighborhood

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association content such as neighborhood meets can minutes and agendas. And I wanted to show you one example of the northwest district association utilized these funds to organize a social event this last year, this spring brought in over 120 participants resulting in 75 new members who signed up, many who said, this is the first time they'd ever participated in a neighborhood association event. And this event would not have been possible without these additional communication dollars

--

Adams: That was a great event.

Hoop: Were you there. And I believe former mayor bud clark, I heard dancing on the tables at that event.

Adams: I had left before the police were called, but yes.

Fish: Move to strike:

Leonard: What happens at northwest Portland should stay in northwest Portland.

Adams: I apologize. We've got meaty stuff in front of us. And suffice to say that what you're bringing forward to us in terms of the additional specificity of the expectations between the city and the groups and the success you've had putting to great work the money the council has provided for these grants programs I think is -- has been stellar. Is there any final thoughts you want to share? I'm sorry for --

Hoop: We appreciate your support and we'll continue to look at how we can implement the five-year plan.

Adams: Great. Thank you very much. So is there anyone in the audience that would like to testify on the emergency ordinance, item 887?

Adams: Good afternoon, how are you?

Cece Hughley-Noel: My name is cece noel. Executive director of southeast uplift neighborhood coalition. I want to let you guys know that this new grant agreement is exciting. It's had considerable community support, it's been an exhaustive process that has continued the community process that we started with community connect, which was I was chair of that group, and we're glad to see that this particular grant agreement provides more consistency across the coalitions, across the districts to provide this level of service to all of the 95 neighborhoods in the system. We're really happy to see that it provides greater specificity and accountability for the goals that we're trying to all reach. And we're really glad to see that it is implementing the five-year plan because this first grant agreement is pretty foundational with moving forward with making those goals sustainable. That's all.

Adams: Thank you very much. If there's no further discussion, let's have a vote.

Fish: We have neighborhood associations are not meant to be perfectly democratic organizations. It -- but I think through this process we're going to get a broader base of participation, particularly among underrepresented groups, and I think that will be an enormous benefit to us as we go forward in updating the Portland plan. Aye.

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

Adams: I just want to underscore our thanks to you, brian, for all your good work, and the entire team at o.n.i. Aye.

Items 888-892.

Adams: That gets us to a series of six. We have six council items, 888 through 893. They're all second reading, which is a vote only. But there might be some discussion on council, so what i'd like to do is have Karla read the titles for all six and then we'll have whatever council discussion there is to have before we move to action. Unless there's objection.

Saltzman: I would like to make a motion after it's read.

Adams: Ok.

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Adams: To put some shape to council discussion, is there any -- before we get to an amendment, are there any overall comments on the package, and then maybe go through them individually? Any overall comments on the entire package?

Saltzman: My motion does relate to --

Adams: Nine relates to 892, is that right?

Saltzman: The river district plan amendment and the lents urban renewal area.

Adams: Any overall comments? I didn't hear any, so commissioner Saltzman.

Leonard: I'm sorry, what does your amendment refer to, 888 --

Saltzman: 891, 892, and 888.

Leonard: Thank you.

Saltzman: Thank you, mr. President. This past wednesday we heard quite a bit of testimony on these urban renewal areas, and in particular about the satellite district proposed for the river district to provide funding for a much-needed new elementary school in the david douglas school district. And I have supported and I continue to support the need for us to find a way to help david douglas build this new elementary school. But it also became increasingly clear to me that -- and to do it on a time line that had meaning, it also came clear to me that although the satellite district has always been risky from the outset, perhaps it was moving to the point the calculated risk was going to result not in a school for david douglas on a time line that's appropriate. And what I felt we needed to examine were another way of getting there. And after hearing the testimony, doing some research, what I want to propose for the council's consideration is that we look at a way that would establish the david douglas district as a contiguous element of the lents urban renewal area. So therefore removing the whole satellite issue and to do so, and ask p.d.c., planning commission and the public, to take a look at a proposal that would fund the david douglas elementary school, and would also hold harmless all the other elements that the lents urban renewal advisory committee has worked very hard to put into that plan. Now, it may be a daunting task, but it may not. It's something we never looked at as the urban renewal action group, which I served on. It's an option we never examined. And I think that if we give ourselves six weeks to examine this option, and have p.d.c. Come back to us in six weeks with two options, in essence, one would be to establish the david douglas school district site as part of the lents urban renewal area, and the second option would be the current proposal to make it a satellite district of the river district. And let us make that choice, but let us make an informed choice about this in six weeks. I think the satellite district is approaching a risk level that leads me to believe we're not going to be serving adequately the families and the school children of david douglas, that they'll be in fact held hostage to lawyers, legislators, and lobbyists. And this issue could be tied up in courts for a long, long time. And that doesn't serve anybody's interests.

Adams: If I could just clarify what you're proposing, you're proposing that for council items 888, 891, and 892, that those be held over for six weeks?

Saltzman: August 6th, yes.

Adams: August 6.

Saltzman: And to come back with two options on the david douglas school site.

Leonard: I would, for the purpose of discussion, second the motion, but only so that I can persuade my colleagues to kill it. And I think it deserves a discussion given the energy that's surrounded this topic. So for the purposes of discussion, I will second it.

Adams: Commissioner Leonard?

Leonard: This is -- has been a troubling series of concerns that have been articulated by some of the developers in the river district since I first heard the arguments. I find within the arguments some amazing contradictions. Just to begin ticking those off, this whole argument that the satellite district is some new concept that is risky legally is amazing. The Portland development commission itself created the willamette industrial urban renewal area, which is in fact two

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nonperishable contiguous u.r.a. districts that do not touch each other. This concept was actually born out of that. And I didn't notice anybody raising an objection to the willamette industrial u.r.a. At the time that was conceived and passed by the council. It's interesting to me that the only time that objections to that kind of an urban renewal area are raised is when we're going to build a school for a non-Portland public school, albeit a Portland school within the city limits of Portland, specifically david douglas. I went to the Portland development commission hearing and sat through nearly four hours of various testimonies, and was disappointed at what some of the opponents to this characterized this project as. One of the lead opponents made some passing reference to the p.d.c. And the city council authorizing building some school in east Multnomah county with downtown urban renewal district dollars. When I got up to testify I offered to give him a ride along with his colleagues to east of i-205, which apparently they've never been to, and actually observe there's actually a city that belongs to Portland beyond i-205 all the way out to as far as 174th. And the david douglas school district, far from being in east Multnomah county. School district, is a school district wholly within the boundaries of the city of Portland. In this argument that the other side has used that apparently commissioner Saltzman is concerned about as well, the david douglas site this school is going to go on is not -- does not meet the definition, the statutory definition of blight is funny if it weren't so serious for the kids out there. The argument is that the david douglas school is not blight, but apparently the pearl district is. And apparently places like the henry in the pearl district are blighted occupancies, which are amongst the most expensive housing in the city. So how you can argue on the one hand that the pearl u.r.a. deserves to be extended because there continues to be blight, but somehow an area of the city that doesn't have sewers, that doesn't have sidewalks, that has some of the lowest income residents not only in the city, but the state, it would be funny if the consequences not so serious. And this issue of why would we do that in the first place. There is a nexus between why we would build a school for the poorest kids in this community, albeit 15 miles from the u.r.a. that the source of the funds are going to come from. Here's the nexus. The neighborhood I grew up in, which at the time I grew up in the '60s, and it was a neighborhood analogous now to those neighborhoods that are in east Portland that are very economically distressed. As we invoked programs such as model cities, which was followed by urban renewal areas, and they succeeded, the families that historically were living in those neighborhoods could no longer afford to live there, and they moved out, guess where? To david douglas. So the success of urban renewal in the inner city has impacted david douglas parkrose and centennial and reynolds school districts in the city because they have had to provide the school for the families who could only find housing in those areas due to the success to places like the pearl and other inner city urban renewal areas. So the nexus in my mind is clear. It is clear that when we achieve succession and otherwise blighted areas of the city, that historically have been the neighborhoods that the most low-income of our residents can afford to live in, and as they become economically decision placed, they move to places they can afford to live, which happens to be david douglas, parkrose, centennial, and reynolds. Those districts are noticing an explosion of students at the same time Portland public schools is noticing a deflation of students. A loss of students. And that's easily understandable when you understand that on the positive side of our urban renewal success, we have a dark underside, and that is families without means have no place to live in the inner city anymore. They just don't. They can't afford so. So david douglas is then stuck with having to provide an adequate education to students who come from very poor families who often times live on streets with no sidewalks, who often times live on streets that aren't even paved. And for those who haven't been out to the east part of Portland and seen what that's like, i'm seriously happy to take you on a tour of streets that you will be shocked actually exist within the city of Portland, where kids can't ride their bikes, where families can't walk down sidewalks, where it becomes really impossible to have safe routes for them to get to the schools which once they arrive are overcrowded and quite the opposite dynamic that we're seeing in Portland public schools.

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So I guess I would conclude my remarks in urging my colleagues not to support commissioner Saltzman's proposal this way. And there's two points I want to make. If you have any doubt at all whether this is legal or not, I urge you to give the benefit of the doubt to the poorest kids in this community. Not to those who will be succeeding in their investments in the waterfront urban renewal area. And second, to get very specific about commissioner Saltzman's proposal in terms of having the lents urban renewal area fund this school. That is patently unfair on its face. Lents, is by all accounts, is a struggling community that is finally beginning to get some traction around the investments that have been made in the town center, that is the location between 92nd and about 85th, between foster and harold. We have just commissioner Adams and I since he's joined the council and I have successfully worked with the p.d.c. to attract a great development onto that site. It's paying dividends. We have a light rail stop that's going in at next and foster -- 92nd and foster that foretells wonderful development happening in lents, all of which is going to require money. We have the opportunity possibly of having a discussion with the community of having beaver baseball located out in lents, being relocated from downtown to lents. That requires a huge commitment on our part. These are all things that are bright spots in the future that lents has never known before. And I will tell you, I have represented lents in one capacity or another since 1993. I believe I remain to be the only city council member that's ever gone door-to-door in lents. While I grew up in other parts of the city I have been shocked at the poverty that exists in lents. We now see what the success of that lents u.r.a. that's beginning to happen that we're ready to turn the corner. This proposal would drain \$19 million out of the lents u.r.a. that would otherwise go to wonderful projects that the staff of the p.d.c. and the neighborhood is finally making headway on. So I don't just oppose this proposal by commissioner Saltzman, I propose it adamantly. It goes against everything that I believe in not to help out the poorest of the poor and had have that help come from the wealthiest in the community, and it also goes against everything I believe in to drain resources away from a very successful neighborhood and p.d.c. staff who are making tremendous strides against some overwhelming odds in a demographic that often people thought would not be possible to help lead out of where they currently exist. So thank you for your tolerance of my remarks.

Saltzman: Can I respond to some of them?

Adams: Commissioner Saltzman.

Saltzman: I want to respond to a couple points. My interests and my focus is on one thing, and that is getting an elementary school built for the david douglas school district. That is my bottom line interest. There's a lot of -- we talk a lot about the willamette urban renewal area as being the great precedent for the satellite district. The reason as I recall from the discussions, the unsaid reason why we didn't include the riverbed of the willamette river as part of that urban renewal area is because the willamette river bed is a federal superfund site. The last thing you want to be doing is creating a potential local funding tax increment district that could be sucked dry by e.p.a. in the name of cleaning up the willamette river. That's why we have the district on either side of the river as opposed to including the riverbank. More to the point, I agree with everything you said about lents. It's turning a corner. There's going to be four light rail stations built there in the next two years. There's some great things happening. We've learned last week of great things happening. So I'm simply saying, let's look at the question, given there's legal risks associated with the satellite district, legislative uncertainties too, what's the harm of giving p.d.c. the opportunity with the lents public to come back to us in six weeks and say, we can do this, we can get the \$19 million for the school and hold everything else harmless in the plan? Or we can't? What harm is there in giving us six weeks, giving the process six more weeks given we never looked at this option at all. To come back and let us once again make that recommendation, make that decision, satellite or lents u.r.a. I just -- I don't see the harm, and I think it would be the most prudent course for us to do, to give us more information not to act on less information.

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Leonard: In answer to your question, the harm is this. You have a community in Portland that has successfully redeveloped to the extent that they have an assessed value of over a half billion dollars of budget over a half billion dollars. That allows them to fund more projects than they ever conceived they could possibly fund. And I think one of the basic principles of our country is to try to bring equity to all citizens. What that means on this local level is to take that huge, and I'll call it surplus of urban renewal dollars, and help fund a school for the poorest area of the city as opposed to using the limited funds that that poor area of the city has to create some basic infrastructure to begin even attracting some of what has caused the pearl to develop the way it has. To me basically unfair on its face, to basically say to the poorest section of the city, you shoulder creating your own schools, we can't be burdened by it because we're down here in northwest Portland wanting to build whatever we want to build that adds to the amenities that we have already, and not share some of that success with other parts of the city, which by the way, under our urban renewal formula, really is a burden that all communities face anyway. And I'm sure you understand that. In the urban renewal area that is the river district, those indebtedness are debts that all Portlanders are liable for, and all Portlanders fund in their property taxes. So to me, it makes complete sense, and it makes complete economic justice to have the poorest area of the city benefit somewhat by the success of a downtown district.

Adams: If I could make a comment, underlying your suggestion commissioner Saltzman is that this will reduce the legal risk, and I guess that would be more persuaded if those that are threatening legal action hadn't always clearly identified legal issues that they have with some of our proposed changes on the west side of the river. While it might reduce it, it doesn't eliminate it, and I'm not persuaded that we wouldn't be mired up in court way. I have to agree I'd rather take a robin hood strategy than take from the poor, quote unquote, poorer part of town to give to a poor part of town. We've work so hard to get the momentum going that there has been established in lents, and my fear is that it is going to flip from sort of struggle, struggle, struggle for light rail stationing, to suddenly gentrification. We've seen that happen in other parts of the city. One of the few ways we have as a council to protect against that sort of flip to gentrification is to have cash to control property that we can then work with other property owners to create affordability, to create parks and natural areas. So it's really important to me because I think we're actually underfunded in lents, and we've seen gentrification occur when we open up new light rail every place else if we don't have adequate control of property or adequate resources to invest in affordability and everything else that makes it complete neighborhood. I also just want to underscore the reason why I believe the satellite district makes sense from a policy perspective, is that we put in criteria. One of the very legitimate concerns you can have about the idea of satellite districting or sub districting is that you could be opening up pandora's box, and I think we have established criteria for the establishment of satellite districts prior to or as part of considering these council items that are much stronger and much more stringent than the satellite district created for the willamette u.r.a . While the explanation is that you wouldn't want to put in the u.r.a. highly toxic ground, it is nonetheless a decision made by the city council to establish a satellite portion to the willamette u.r.a . to avoid that. So it did create and set the precedent of a satellite ura, it did so without any criteria for future satellite districts. This establishes that criteria and therefore I'm comfortable with moving forward. Any other comments?

Saltzman: I would just respond to a couple points. I see where the votes are going on this, but I do think while it's great rhetoric, taking from the rich and giving to the poor is great rhetoric, we all love it, it may not be buttressed by what Oregon revised statutes say with respect to urban renewal agencies. And therein lies sort of the dilemma I find myself in. My focus is on getting a school district -- getting a school built for david douglas in a time and -- in a reasonable time line, I'm afraid our enamorment with taking from the rich and giving to the poor, it's great rhetoric, we all feel good about it, but I'm not going to feel so good about it two years from now if it's still in the court of appeals. And in the meantime, we can't do anything, david douglas can't do anything. The

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lents path may not work out. But we haven't looked. And I think we owe it at least an honest examination, and I think it would provide us a more legally tenable defensible approach to get the money to david douglas school district sooner.

Adams: There has been suggested a way to facilitate clarification to the legal issues, although this goes through luba, is that correct? Let's talk a little bit about sort of the potential path forward. If it is contested, how is it contested and what's the time line for --

David Elott , Portland Development Commission Legal Office: If the ordinance is adopt can the amendments were to be appealed, they would first go to luba. The general time line for an appeal would be 21 days after adoption of the ordinance. After that, I don't have before me the specific details about the time line, but it would probably be several months during which luba would consider the appeal, it would be briefed, and ultimately luba would make a decision. Typically luba decisions involve remands, they identify errors in the process and it's remanded to the local jurisdiction to address the errors. With respect to the satellite district --

Adams: Before we move from that point, doesn't luba have to consider this an appeal within a certain time line?

Ben Walters, Sr. Deputy City Attorney: I don't know the specific time line -- the outcome could be that luba makes a determination and remands or it could affirm the decision and then it could be subject to further judicial review in a court of appeals.

Adams: But luba has a certain time line they have to get back to us, is my understanding.

Walters: I believe that's the case.

Elott: I don't know the specific time line, but there is.

Adams: All of our other luba appeals they have to respond in like 120 days or something.

Elott: That may be correct.

*******:** You said it -- .

Fish: You said it could be remanded, sent back for some further action by council? Would luba's determination that there had been inadequate findings constitute an error that would come back to us, or is that a basis for denying --

Elott: I believe that would be a remand issue. They would identify insufficient findings and would remand.

Adams: Do you have any questions on this portion of the luba portion?

Leonard: Yes. Specifically I was at the p.d.c. Hearing when you and linda meng testified, and I told others then, parenthetically I want to say that I really appreciated what appeared to be a really different tone of what I gathered from that discussion from you and linda present and the cooperation between your departments. Given that I've raised that issue in the last year.

Adams: That was amazing.

Elott: We're certainly working. Get the transcript.

Leonard: I certainly observed what I consider to be the kind of relationship I would expect. And I appreciate that. And what I heard was from you and linda both was in your analysis of this proposal, you saw nothing that violated state law, state constitution, which isn't to say you said it was risk-free, you didn't say that, but I was listening very careful for you to identify a legal problem, and I never heard that.

Elott: I think I would characterize our advice as -- in looking at the relevant legal authorities, and there are a number of them, we've identified interpretations that would support council's action in adopting the satellite district. That said there's no legal precedent, and as a result there is substantial legal uncertainty as to how luba or a court might ultimately view it.

Leonard: You would say that on almost any item, given your profession.

Elott: There are certainly things that are clearer --

Adams: Are you leading the witness?

Leonard: Yes, I am.

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Adams: Any other questions on the luba piece as we understand an appeal. You're about to move forward with what you think the phase after luba would be.

Elott: It is possible, and if it's an issue of remand, there's often the possibility the petitioner could appeal. And then that would go to the court of appeals, and there isn't any specified time line during which the court of appeals would consider the decision. So that could potentially extend the period of uncertainty indefinitely.

Adams: What are the -- are there any options to speed up the process in other issues? We've used declaratory judgments, do you know anything about that?

Elott: Linda and I have discussed that briefly. I don't think we've identified anything that would be clearly available in the form of a declaratory judgment or other preemptive decision to avoid an appeal to luba.

Adams: And we would not be able to move forward for -- we would not be able to move forward any aspect of these five council items, or we would be able to move forward anything that isn't remanded to us from luba.

Elott: The ordinances adopt separate amendments so. If only one of the ordinances were appealed, the rest of the ordinances would take effect. So it would simply be a question of which if any of the ordinances were appealed.

Adams: It looks like ben has an update.

Walters: The statute appears to provide a time line of a final order from luba within 77 days after the date of a transmittal of the record. So it is an accelerated time line. But as david has identified, the uncertainty comes out of the possibility of judicial review following a luba determination.

Fish: If I could jump in on that point, because dan and I listened to about three to four hours of testimony last week on some of these questions, my head is still spinning, but in the p.d.c. budgeting documents that we received, the first money that would be pulled out of the district to cover the school expense would be in 2011. Absent a change in priorities. And it's been suggested that you could defer some other project to jump-start the money. But the kind of projects you would be deferring would be like the resource access center. And I doubt there's much of an appetite on this body to do that. So the interim way as I understand it is to get the money would be to have the council in essence float the money, secure it against something. I think what we learned is if there is substantial uncertainty about the process, the city could not issue the interim debt and p.d.c. couldn't issue the interim debt. So we were looking at the possibility of up to two years or maybe longer because you don't delay, because in the legal process you don't control how quickly the court of appeals addresses it, and that process could take its own time. Out of that I think came -- i'm not speaking for commissioner Saltzman, but some consideration about a plan b, and on the legal side, i've been look for a plan b for six months, i'm not sure I found it, but on the legal side there might be two plan bs. One is to take some issues off the table to discourage a challenge, and that is the spirit of the amendment, and another way to be to find a way to expedite the decision on the contested legal question. I don't think there is a way to expedite consideration, and we have a system of checks and balances. People are free to appeal our determination, some higher authority gets to weigh in on it. And it may ultimately be decided by the legislature. That's not an infrequent outcome of an issue, the legislative body takes. With respect to shrinking the number of issues that could be subject to appeal, I think this proposal as I understand it would take the satellite district issue off the table and replace it with a cherry stem and do a couple other things. I think it's well intentioned based on the testimony I heard, but I can't support this amendment because I don't think based on what we now know that it is fair to put the financial burden on the lents urban renewal district, which is already having difficulty generating the kind of tiff we're talking about. Nor am I convinced there's a way we could hold them harmless. I think it's well intentioned from the point of view of looking at some way of mitigating risk. There are only two ways on the legal side we could do it. This is one, but I cannot support this.

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Adams: Follow-up question, and I appreciate the background since Randy and I were not at the meeting, is if we're in the midst at the Luba level or the court of appeals or higher, and we seek and are successful at getting a legislative clarification or change, what impact would that have on the pending legal action? Can we get legislative action that makes the legal stuff go away? Or is it grandfathered in, or do we do this all over again?

Elott: That's not a question I have looked at. It seems to me the legislature certainly would have it within its authority to make the legislation effective in such a way to validate the action. Though I think they would probably need to do that quite specifically.

Adams: Any comments on that, Ben?

Fish: No. I'm prepared to move the amendment so we can go back to general comment, and then I have more specific comments. But I'll reserve those.

Leonard: Prepared to move the amendment or vote against --

Adams: We're about to call the question -- unless there is additional council discussion or any offer on panelists have something they need to tell us before we vote on Commissioner Saltzman's motion to continue this discussion without action until August 2nd. Karla, please call the roll.

Fish: No.

Leonard: No.

Saltzman: Yes.

Adams: Again, I know that as Commissioner Fish stated, I know your intentions are honorable, but I can't support it. Aye. I mean no. Sorry. You almost got me there, didn't you?

Fish: You had earlier indicate first degree we had general comments this was the right time, and I'll have a specific comment when we get to the vote on the ordinance. I want to raise one additional general comment, which is, we received a letter dated June 23rd from Bruce Warner responding to some questions that were posed out of the last hearing. And some of them were questions Commissioner Saltzman and I raised. Question number three, Dan and I had asked, what's the criteria for evaluating progress within an urban renewal district around job creation? What's the record in job creation in Lents, what's the forecast and what's the way of tracking that going forward? My understanding from the response we got is that's a work in progress. That the developing a method in order to evaluate that, but I do think in terms of the credibility of urban renewal districts generally, and our ability to make informed decisions, we need a way to track job creation and linking our decision to some kind of economic benefit. And the answer we got says that's a work in progress and I hope we could really jump-start that process, because I think the relying on Metro and Bureau of Planning forecast is not the same as actually having hard data.

Adams: Any other general comments? Then -- if not, we'll tick through a vote on each of these and as people vote on council they can make specific comments. No other discussion on council, our first vote is on item 888. Second reading.

Fish: Aye. **Leonard:** Aye. **Saltzman:** Aye.

Adams: Aye. 889.

Fish: Aye. **Leonard:** Aye. **Saltzman:** Aye.

Adams: Aye. 890.

Fish: Aye. **Leonard:** Aye. **Saltzman:** Aye.

Adams: Aye. 892. -- sorry, 891.

Fish: Aye. **Leonard:** Aye. **Saltzman:** Aye.

Adams: Aye. 892.

Fish: If I could, I'd like to briefly explain my vote. [inaudible] my wife was joking with me this week that I probably had another week in my honey moon phase before the recall petition was filed. This may accelerate it. First of all, as the newest person up here and someone that did not participate as a member of this body on the question on the underlying deliberations that led to this proposal, I have felt that it was important that I do an extensive amount of homework to catch up

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and make sure I understood the issues. And I want to say that I found not only last week's hearing incredibly informative, thoughtful, the presentations useful, but in going back through the record of materials we received, the briefings I got from p.d.c., the briefings i've had from people on both sides of this issue, the record, the newspaper commentary, everything, there's a wealth of information and it's helped me come to my conclusion today. I begin though, mindful of the fact a 5-0 vote of the council launched this endeavor. And that there has been a strong support on this body for this particular proposal. And I say that in a sense because I want to recognize that my particular vote and view on this has limited consequence in terms of how this moves forward, given what I understand to be the sense of the council. But I still think that it's important that there be integrity in the way I approach a question of this magnitude, and my thought process. So I will share it with the public. I raised and addressed in my mind three fundamental questions as I evaluated this. The first is whether there's a compelling need to take these resources, invest them in the david douglas school. I think that's the easiest question to address. Because I think there's clear evidence there's a compelling need. One of the benefits of being a candidate, you spend a lot of time out in the community. And i'm reminded when commissioner Leonard invokes the i-205 barrier, i'm also reminded that when I had the great pleasure of being a candidate in 2002, and I think randy might have been in that field, I don't remember, but you might have been an opponent, one of your stock speeches had to deal with something called the forgotten Portland. And it made an impression on me. I've lived in cities and -- that also had forgotten areas. Participants of queens, for example, in new york probably qualified as forgotten new york. So I spent some time east of 205, and I am frequently frustrated that leadership people I meet in east Portland don't have relationships with people in downtown, and even within the same area. It tells us we have a community still too vulcanized, too separated, east and west, but clearly as we look at the david douglas school district there's an overwhelming body of evidence that the need starting with the poverty in the community, the overcrowding in the school district, the fact the tax base just simply can't support what they want to do and the fact the political dynamic is such the voters are unlikely to support the money for this until there's a stronger tax base, and higher per capita income. So the second question for me then, is there some precedent for the council's action here that I can in good conscience embrace, which would allow us to direct monies from an urban renewal district to a school? And when we say school, I think it is fair to talk about this more as a community facility than as a school for reasons I'm going to point out in a minute. As a citizen of this community, i'm aware that while our charter says very little about schools, the fact is, in the 11 or so years i've lived in this community, the city council has on a regular basis allocated money for the schools. Whether that's general fund money, tax surcharges, whether it's the children's investment fund, whether it's shared facilities and arrangement was different bureaus to take care of parks and field and maintain facilities but let's go further. We have a model which is one of the centerpieces of our planning going forward which we all celebrated, and that's the rosa parks elementary school model. Frankly, rosa parks would not be built today had it not been a unique partnership between the school district, the city of Portland, Portland parks and recreation, in particular, and I think the icing on the cake, the girls and boys club that leveraged the money necessary to do this. So of course there is a precedent for the council actually -- acting to benefit schools, but there's also the additional precedent which i'll come back to in a moment through the willamette industrial urban renewal -- of having a noncontiguous district. And notwithstanding probably good and sufficient reasons to exclude the polluted bed of the river in the urban renewal area, it was still -- I remember that debate as a citizen, and I don't remember much opposition to that. A lot of people thought it made a lot of sense. So the second question i've had to pose is, is there some precedent for our action, and I think indeed there is. The third question for me is does this approach represent good public policy and is it otherwise legally defensible? On the policy side, in my own view, and I have been probably in a skeptic camp for a while, it's edgy. This is pushing the envelope. This is taking a concept and

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redefining it a little bit, moving it to the edges, expanding our understanding. Frankly we do that all the time. Courts are accused of it, legislative bodies do it all the time. It's part of the creative tension of making public policy, and we have a system of checks and balances that puts us back in alignment if we do too far. Is this any edgier or any other plan to address poverty in our community and school equity? No. But it is admittedly an edgy concept. We recognize that. On the legal issue, and I -- as people know i'm a recovering lawyer, I have felt the legal issues were closer, that there's a closer call. And so i've gone back to read the city attorney's memo and the other documents which are -- form the basis of our record on this point. After all, did I take an oath. I took this job. And I took an oath to follow the law and not join the democratic party. I think the city attorney's memo contains some qualified advice on legal questions, but I think in absence of legal precedent generally what the city attorney was doing was making predictions. In the absence of clear precedence for some of the points. And it is not unusual under those circumstances that our attorney would advise a dual track route of in addition of whatever other legal remedies -- seeking legislative clarification, clearly that's always the best, because courts get it wrong other bodies get it wrong, legislatures can clarify their intent. For me, the issue as I have studied it in greater detail is not one of black and white. If it were black or white, I would have a harder time today. It's gray. I believe we're in a gray area where reasonable people on both sides of the issue can make arguments about blight and satellite districts, and findings and funding schools. But I think reasonable people have made compelling arguments on both sides of that issue. So I do not believe that it is a black and white issue. I believe it is gray. And I think there are lots of reasonable people on both sides of the discussion. I want to come back to the question of checks and balances, because ultimately I don't think it is our role to, with some kind of precision, divine how a court or some other party is going to tackle the legal issues. That's not our charge. We have a system of checks and balances. Courts routinely overturn actions of legislatures. It allows sometimes legislative bodies to take risks knowing if a stray too far, there may a court or tribunal to put it back in equilibrium. The system of checks and balances gives us an additional measure of protection if we choose to move forward. The three other factors I considered in my decision today, and relates to something commissioner Adams alluded to earlier, which is we have an underlying resolution of the council which puts some very strict limitations on the use of satellite districts in the future. And that resolution limits the opportunity for creating future satellite districts and puts what I think are reasonable restraints on what we can do. I do not view the resolution that is before us today to be a case of opening the floodgates to satellite districts for every school district in the city going forward. I'm not aware of any commitments made in that regard, and I reserve the right to look at each one on a case-by-case basis. I do think the council, contrary to some who have been quoted in the press, saying the floodgates have been opened here, I think the council has put some teeth into its limitations on future satellite districts. Second point I want to make is that I have for some time been trying to find a plan b that I could test against this proposal that meets the goal of providing educational equity, funding, support, attacking poverty in east Portland. But does not present perhaps the same level of legal risk. And as of today, i've not found it, nor have any of the critics or proponents come forth with a plan b that I think is compelling. So I want to close with a comment about poverty and equity. When I was sworn in, my second or third swearing in ceremony, I said that we are not going to be a truly great city until everybody in our community enjoys the benefits of a livable community. And the work of the coalition of a livable future and other groups have shown thrust are many underserved areas of our community that simply do not get the right level of services and do not enjoy the same kind of livability that we do closer to the inner core, and that's got to change. And I also said in my swearing in that I wanted to help lead an effort on this council to tackle poverty. Issues of poverty, get to root causes, declare war again on poverty, because no one sitting up here believes it's acceptable that as many people in our communities are today live in poverty, substandard housing, inadequate wages, don't have health care. And on and on and on.

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And I think we have a chance to seize this moment and do something great to tackle poverty. When I look at the values of the people sitting here, i'm convinced we can work together to make this happen. So i'm an imperfect person. I have reservations. I've weighed the evidence and the factors that are important to me i've thought long and hard about this, and on the basis of what is my best judgment today, notwithstanding my reservations, i'm going to vote aye.

Leonard: Well, I have to first start by saying that I am nearly puts speechless by your excellent remarks. I want to remind you I said "nearly." you really summed up for me in a very articulate and thoughtful way why this project should go forward. So I really commend your reasoning, commissioner fish, and appreciate it a lot. And did you touch on a lot of the issues I wanted to describe before I voted. So i'll just talk about those things, a couple things. First thing I want to make clear is there are those that sometimes watch this council that sees disagreements and misinterprets that as being us either fighting or quarreling or not getting along. I couldn't disagree more. I find our city council to be a very healthy representation of the community and we have honest discussion and debates, and it's healthy for people to know we do it here and not in some background. We have these discussions about the things that we believe in in front of the entire community. Commissioner Saltzman put forward an amendment that I know for a fact is based on his sincere desire to provide the best education for people in this community that are the most needy of education, and I don't need to defend commissioner Saltzman, i'll just point out his constant and tireless work in the children's levy and I other programs he's put forth on behalf of kids in this community that are left out. And I want on acknowledge that and say nobody should interpret him and I disagreeing with me not having the utmost respect for him and his motives in whatever he does. And I want everybody in the community to know that. Having said that, this is in many ways a watershed moment in our city. And it isn't because of the historicness of creating a satellite district, it's because of this acknowledgement council of the community that do exist post annexation east of various places from 42nd out to 122nd and the areas of the city that are acquired in the last 20 years, it is really the first time that this council has acknowledged that we owe the same kind of opportunities, the same kind of advantages that every other kid in the historic sections of Portland have received as well, and i'm deeply appreciative of the action of the council today. I look forward to this being a unanimous vote. I'm hopeful the communities in the areas affected by this vote beyond just david douglas recognize this water shed moment, that it's really a long-time coming, but definitely a testament to the excellent work done by our school districts in the areas east of i-205. Would I close with this. I would ask that if there are those that are focused enough on their opposition to this, that they intend to take some kind of action beyond this. I would ask you to do just one thing. Please call Barbara rommell, go out and meet with her, and if you'd like, i'd be happy to attend as well. If you don't want me to be there I won't. Please sit down and listen to what they do, ask what they deal with, and listen to the kinds of opportunities they're trying to provide kids in this community. I was troubled particularly by one thing I heard at the hearing that I wasn't at last week, that I subsequently listened to, that building a school in east Portland is somehow not economic development that should be associated with the pearl. I couldn't disagree more. It is fundamental to this community and to this nation that we begin understanding that educating argue and providing the resources to compete on worldwide scale is more economic development than it is anything else. It allows our families, it allows our kids to compete and put the u.s. back in a place that has long since lost, and that is being if the forefront in the world on information, on education, and competitiveness in ever more competitive world in terms of attracting industry and jobs to this country. And we're losing them to other countries because we don't understand that education is economic development. So if you would do me that one favor, I would be extremely grateful of meeting with barbara before you took any kind of action, and after that if you're still compelled to do what you have to do, I respect that. Thank you for this excellent discussion. Thank you to my colleagues, and I vote aye.

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Saltzman: I think this has been a great discussion, and notwithstanding my concerns about legal risk, I do support us helping david douglas school district and if the river district satellite is the chosen way to go to make that happen, i'm not -- I think i'm still capable of being edgy. So i'll be happy to go down arm in arm on this trail and see how it all plays out. Aye.

Adams: I do think -- I just got back yesterday from helping to lead a delegation of citizens and neighborhood and business leaders. We visited looking at best practices and meeting with businesses, and germany, the netherlands, sweden and finland. And I had an opportunity to talk to about 50 people on the trip, and this issue came up, and I was surprised by how many people had not been to neighborhoods in east Portland. So ironically I think we need to have some missions that take folks from various parts of the city to other parts of the city. North Portland where I come from definitely feels slighted by the city in some important ways as well, and as a candidate for the past half year, it was interesting most every area of the city feels like they're being ignored to a certain degree by the city council and city government except for the pearl. And then we go to the pearl, they complain to you about challenges that they have as well. I do think getting a factual basis to our overall work is absolutely important. Over the next six months i'll be working on that as mayor elect, and would hope to have the council supported by our discussions supported by more baseline information in the future. Not just an economic development, not just in areas of poverty, but in the entire responsibility for city government. I'm going to support this. I believe it's the right thing to do substantively, and in terms of process, I understand that others disagree. And there is a process in place to adjudicate that disagreement. Both through the courts and through the legislature. And I will work with others to clarify this point in the legislature, and we'll move forward. Aye.

Item 893.

Adams: That gets us to item 893. Nonemergency ordinance, could you please read the title.

Adams: Are there any questions regarding this proposeddal to vacate? Hearing none, this moves unless objection, to a second reading next week. Item number 894.

Moore: I have two people who signed up.

Adams: I'm sorry. Do you want to waive your --

*******:** We'll waive our testimony.

Adams: Bless you. Anyone else in the room that would like to testify on 893? Ok. Please come forward. You can go ahead and stay. Welcome to city council. Please excavate your name. Have you two minutes.

Susan Hathaway-Marxer: Hi. I won't take that long. Susan hathaway, I live in irvington. I'm on the sullivan sculpt trail committee, and i've actually -- i'm not able to be here next week. So that's why I want to give my testimony now. The tracy mcgrady committee is a -- trail committee is an informal group of people on the watch to make sure this project will be able to happen as we intend. We have no problem with the street vacation, with the condition that the reservation for the public access easement over the entire vacated area is a part of it. Because the trail is not on comp plan, and because engineering study hasn't been done, we are very mindful, very watchful of anything that will affect connectivity between what we presume will be the trail and the public right of way. So those are our feelings about it. Thank you.

Adams: Thank you for your testimony. My understanding is this provides the necessary preservation and conditions to allow us to move forward.

Linda Birth: It does. The easement is reserved.

Adams: Unless there's anyone else to testify, item 893 moves to a second reading next week. Which gets us to item 894.

Item 894.

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Adams: Any questions from the city council? Is there anyone here that has signed up that would like to testify on item number 894? Hearing none and none signed up, this moves to a second reading for next week. That's item 894.

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

Adams: Thanks for your work. I think we're going to consider together vote separately on items 875, 895, 896, 897, is that correct? Would you please read the titles.

Items 875, 895, 896 and 897.

Ben Walters: Good afternoon, ben walters with the Portland city attorney's office. If I could just offer a point of clarification, 875 which was pulled from the consent agenda because I understand there was some concerns about how it related to 885, 896, and 897, which are franchise -- franchises, they prefer to call them permits for wireless facilities in the right of way, 875 is actually for a telecommunications provider that has an -- offer telecommunications services over hard lines that are in the right of way. Time warner, the reason for the extension on the time warner franchise is that we're in litigation with them. We have an appeal pending in the nieptdz circuit, and the extension is to preserve the status quo while we're awaiting the scheduling of oral arguments on that appeal, and a ruling from the ninth circuit on the appeal. So it is not a wireless facility, a wireless provider as are sprint, ate, and -- at&t, and voicestream. If the council does want to discuss, that we'd be happy to, but it is the not of the same nature and quality of the other three.

based on that representation, my comments can be limited to the emergency ordinances. I have no objection to the matter which we yanked off the consent agenda.

Leonard: So there's no provision that would provide for wireless service?

Walters: No. There is not. The services they provide are primarily as a long distance -- they do have some local provision of services, but they do not provide wireless that we're aware of. They do not have wireless facilities in the right of way.

Adams: My comment on that for the record, as a continuous effort at indication of the public and the city council, is on 875 especially to a much lesser degree on the wireless is, city council general fund receives resources from the franchise agreement, whatever you call it, of 875 that goes to the general fund. P which -- to pay a portion of the electric bill for the lights. Streets lights. So the city general fund receives more resources for giving access to providers like warner than they give to the Portland office of transportation. Thank you for listening. I feel better. Go ahead. On 895.

Walters: Would the council prefer to take a vote on 875 first and get that one out of the way?

Adams: Go ahead.

Moore: 875 is a nonemergency.

Adams: Unless there's objection from the city council, 875 moves to a second reading next week.

Walters:: With respect -- may I -- can we treat items 895, 6, and 7 are before us and ask questions --

Adams: Yep. Go ahead.

Fish: I want to just clarify why it is that I asked that we have an opportunity initially to yank the one matter off the consent agenda and now to talk about these as a package. During the course of that neighborhood meeting where I was there as an observer as a candidate, a group of concerned neighbors came forward and talked about the placement of a cell phone to youer in front of a residential -- in front after home around the corner from the school. I'm going to pass this down so my colleagues can see it. This is the tower that was appeared almost overnight in front of a modest bungalow in north Portland. And the -- in the course of the evening as I listened to the petition made by the neighbors, what I learned was that a notice had gone to people on that street, I believe from p.g.e. Saying there would be some interruption of their electrical service, or their service, maybe their phone service. To do some upgrading of equipment. But the notice did not say that there was going to be a cell tower put on the street. The folks, according to the people who came out -- installing the cell phone tower were combative and rude to the folks who lived on the street.

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The couple that actually own the home in front of which was placed a cell phone tower were present, and they complained of enormous amounts of anxiety and stress, inability to sleep, there's a transponder that accompanied the cell phone tower that was buried in the sidewalk, in the right of way in front of their house, that emitted a low frequency signal that think found very disturbing and neighbors across the street and down the street claim was very disturbing to them. And in the course of the evening, I learned that congress in its great wisdom has declared that we have no authority to even consider the health aspects and implications of putting cell phone towers of this size with the equipment in a residential area. And there was a lot of concern in the room, and frankly, the one of the first things I thought about was I live in the grant park neighborhood, and there are no cell phone towers like this. Certainly not in front of homes, residences. And it wasn't clear to me how it was that this particular cell phone tower ended up in this particular -- in front of this particular house. When people said they felt there was -- there were health consequences of this tower being in front of their house, it wasn't very reassuring to them to tell them congress told them not to worry about it, it's not something we can consider. And so in doing a little more homework, I learned there's a healthy debate in the community about whether these towers should really be placed on existing poles on arterials where they can be -- where there's less of an impact of neighborhoods, and some of the trade-offs cost reasons they're put in one place and not the other, and based on that i've asked commissioner Saltzman if we could be involved, my office could be involved in his ongoing review of this matter. Because I have a concern that these are being placed in neighborhoods where the decision may be largely driven by cost or perception that they'll be less pushback than by the need. And I think with our current technology i'm surprised to learn that we have to have a cell phone tower in a residential area where could you easily put one two blocks away in an arterial. I'm surprised to hear people say there's a coverage issue if you don't put it in the middle of a residential area. The question that I had as this matter came forward was, in extending the right of way agreement, have we in any way lost any leverage we would have as a council to address the concerns that arrive just enumerated with the -- with sprint and at&t and voicestream? And my question to you is, both to council and to the office of cable communication and franchise, if we adopt -- if we extend the terms of the right of way are we diminishing our leverage in negotiate something good neighbor agreement or restrictions on the placement of cell phone towers generally?

Walters: Commissioner fish, council, ben walters again. The process that the council followed originally in adopting and encouraging providers to locate in the right of way was to authorize the cable office to develop a model and then come back to council with that model and then proceed with granting approval. And so this is not outside of what the council has done before. What is occurring now is that there is essentially we're maintaining the status quo as to these three entities and others, the cable office is out as you noted, holding public hearings on issues identified in the various neighborhoods about the locating of facilities in the right of way. Once that model is reviewed, then the cable office will proceed with bringing the individual agreements forward. Not unlike what happened before. So we're not losing leverage, we're just maintaining the status quo as to these entities which have facilities in the right of way. And there will be a process by which these come forward to council, there will be a public hearing process, councilg will get an opportunity to weigh in on what the cable office has developed in response to the neighborhood input, and then the individual agreements will then be put in place with these entities that for now at least are going to continue to operate under the -- ache how long are these agreements?

Walters: They're being extended for a period of an additional year.

Leonard: How did this particular tower get the authority of being installed in a right of way? In a neighborhood?

Walters: This particular tower is in the nature of a coverage tower. It's to address demands in the neighborhood --

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Leonard: I understand that part. What i'm asking is, who in the city authorizes the placement of the tower exactly where it is?

Walters: Well, the way these things proceed is the utility comes in and actually applies for the replacement of a pole. The facilities are actually on a p.g.e. Pole and so it's the utility that makes the application. The pole is owned the out, the facilities there are by permit --

Adams: If I could just try to no, there is no sign-off from a city employee.

David Soloos: Yes, there is. David soloos, program manager, office of cable and franchise management. Following up on what ben said, your office of transportation -- the pole replacement permits or if the pole is not replaced, they issue a permit for the placement of antennas on existing poles.

Leonard: Who does?

*******:** Systems management in transportation.

Adams: Pdot does not feel it has authority to say no. Or to place it down the street.

Walters: That's correct.

Adams: I just want to be clear.

Leonard: Explain to me why we don't have authority to say where these are located.

Walters: First off, the existing agreements don't reserve that authority, and secondly, that very issue is under litigation up and doubt west coast.

Leonard: Which gets to commissioner fish's point. If the existing agreementing don't allow for that, and are today vote can on the agreements, why shouldn't we not vote on these until we have written into them language that allows to us prevent things like this?

Walters: A couple of points. The first is that some of these agreements are dloas expiration, and if there's an expiration then the question comes up of what is their authority to continue to operate in the right of way? There would be a disruption of service for these providers if they --

Leonard: Isn't that the leverage commissioner fish is talking about?

Walters: Well, but we don't have a replacement policy to offer up at this point in time.

Leonard: We do if they would come in and say, gee, we can't let this expire, what do we need to do to make it right, and you say, I have a suggestion, you could agree to us with language that allows to us regulate where these things go. And then we can put it in and have an agreement.

Saltzman: That's the policy that cable and franchise management is working on right now.

Fish: If that's the case -- could we shorten the renouri al-maliki term so we have -- if there's a sense of the council -- by the way, just so you know, the notice that p.g.e. Issued to this customer before this was placed in front of the house this, is the written notice that the person government we have scheduled a planned outage which will affect your electric service. Crews will be upgrading and replacing transformers.

Leonard: That -- .

Fish: That was the notice that led to --

Leonard: I have some back ground in negotiations and this much I can assure you. If you can get one other person to join me today to vote no on renewing these agreements, that would then -- the next few hours you will have somebody in your office asking what they do need to do to make sure to get an agreement and what i'm suggesting to you is say, council has expressed a concern about this kind of a policy that allows this to happen in front of people's homes and we can vote on them again as soon as next week.

Walters: Commissioner Leonard and council, would I caution you, this is an area in which there's a lot of litigation.

Leonard: We don't have the right to negotiate --

Walters: There would be risks associated with refusing to renew these and telling --

Leonard: So they -- I didn't say they have to remove it. I said i'm talking about your -- we're voting today on an agreement, a franchise agreement that includes i'm assuming their rights to put certain

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things in the right of way. What I'm suggesting to you is that we not approve these today and the reason being because of this kind of structure beak erected in people's neighborhoods, and this council not going to approve agreements that allows that, I'd feel a whole lot better about them if they agreed this was a problem remove this, this should be removed. Located at a better site and our agreements reflect they can't do this kind of thing in the future without our express approval.

Adams: If I could ask some clarifying questions, I think that use if the comment -- you normally extend these for how many years?

Walters: These have been the policy has been the cable office has been following is to extend these during the time period in which they've been developed a policy --

Adams: No, no, normal agreements for wireless or how many years, five years?

Walters: Five years.

Adams: And this is for one year. And you're doing that so that this policy can be in place before do you another five-year agreement. Because we can't go back on a five-year agreement retroactively without some difficulties.

Walters: We cannot unilaterally amend the agreements once they're in place. Or --

Adams: When do these expire exactly?

Soloos: June 30th.

Adams: And what is your understanding of if we let them expire? Do we have a council meeting between now and the 30th?

Moore: No.

Walters: And the council, there is a city code provision that provides that you may not place things in the right of way without a franchise. So we would have a legal issue regarding their authority to continue to locate in the right of way.

Adams: Commissioner Saltzman when can with a degree of certainty, how long will it take for us to consider and approve some - -

Saltzman: We expect to have this benefit council in the next couple months.

Soloos: Correct. We have a companion process going where we have a public process and it includes industry and full owners.

Adams: How long do you need?

Soloos: We need a couple months. We had a survey online, we had about four times as much response as we anticipated, staff just last week finished analyzing that data. And we take that data as well as our five-year experience here wrap it into some amendments to deal with the esthetic issues that were discussing now.

Adams: Do we want to - - can we shorten the from a year to three to six months? I want to make sure that the council understands having dealt with we're often the first responders in transportation to these complaints is you're talking about moving. And I want this kind of leverage. But your talking about moving in front of somebody else's business or somebody else's house. I want to make sure that you all have enough time to think through a good revised process for us in the future.

So if you need three months or six months instead of a year, I think that makes sense. I'm glad --

Fish: There's one other option, which has been explored, you can -- on major thoroughfares you can collocate.

Leonard: Right.

Fish: And the collocate makes a heck of a lot of sense - -

Leonard: And they don't do that the way they should be.

Adams: I understand but having gone into this issue somewhat, I'll tell you sometimes you can't put everything on collocations on arterials. Again, I'm the first that would love more tools but I just want to make sure that we feel good today then we have problems reaching into months from now. I just want -- if you need three to six months?

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Soloos: I do not want to mislead. My instinct tells me if this is going to move into an area of a discretionary review, it's going to take a lot more than three months to develop what is the criteria, then we may have to provide appeals. Who's going to staff at this point as I understand it neither our office with nine folks or your street systems management office with 5 or 6 or 7 folks is resourced to do that. So out of the gate if the council's direction is for the bureaus which we've been working together with development services and planning as well to move whats happening in the right of way to a discretionary review that's one threshold. The other threshold that we would run into is that we would be running into have a discretionary review for wireless facilities but what do we do with 120,000 poles and thousands and thousands of cable boxes and everything else that's in the right of way that doesn't. We have that level playing field that's been alluded to earlier.

Leonard: They should think about. I hear you and I appreciate the position but the cell phone companies need to think about that themselves. My sense has been since I've been on the council and we've had land use hearings on this subject and what I've discovered there is that they do not and that's been the basis for each of my no votes is that they do not make an earnest attempt to collocate. Because their competitor owns the pole and what I've got them to admit here is that they have to pay them more than its worth and that's not our problem. And what i'm seeing here is flat offensive. And i'm prepared to vote against these agreements and let them expire until they figure out how to behave more like partners in this community. And I understand it may disrupt people's cell phone service, but this is kind of bullying to me. And I believe it just as commissioner fish has characterized it that they are probably rude and abrupt with people I would be very upset if I found that outside of my house. I will tell you the only way that i'm going to feel comfortable to support this is to have specific language in there so they actually make the earnest effort to do what the ---- requires that they collocate these facilities and secondly if they can't find commercial ways where it fits in with the landscape and there are much more as I know you know there are much more esthetically appealing cell phone towers than this available on the market today that can blend in with the landscape. I don't think that approving these today is appropriate. Until we get the language that we're comfortable with that gives us the protection we need.

Walters: Commissioner Leonard, the cautionary note I would strike is that if they don't have the ability to put these in place, and if there is some legal uncertainty as to their ability to have them remain in place, that will squarely place us in the cross hairs of the cases we've otherwise been successful on with qwest and time warner in that the court would view that more likely than not as being prohibitory.

Leonard: I think that's unfair. It's unfair for this reason. I feel like I'm being told I have to vote on this and nothing else. This agreement and nothing else. All i'm suggesting to you is i'm not comfortable voting on an agreement that doesn't address what I think are the very reasonable concerns that I have expressed.

Saltzman: What if we extend them by six months --

Leonard: That's too long.

Saltzman: Allowing the policy to be in place.

Leonard: That's too long.

Adams: How about three months?

Soloos: One of the reasons we went with this amount of time was because that's what we collectively have done with other extensions of the franchises to december of '09.

Leonard: Then you allow this thing to continue.

Soloos: Well, i'm -- we'll do as you direct.

Fish: Randy I would -- I appreciate your comments. Because there's a process in place and because my concern about leverage and recognizing there's legal issues here, that we want to look at, would the council be comfortable if we just amended this to a three-year extension, a three-

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month extension for now, three months, and then we can always revisit the question? That puts pressure on the players, including us to get a policy --

Adams: With one provision to that, and I think -- i'm afraid if -- with all the best of intentions, having been through this before, the next three months they'll start piling in their applications to get under. So I would just --

Leonard: I would say 30 days. 30 days is enough to sit down and draft something to address --

Adams: Can I ask a legal question? If they turn in a completed application before we might change or seek to change our procedures, does it complete -- does a complete application mean they come in under the existing code? Or do you know?

Walters: It could. But bear in mind their primary hold-up is not with the city, it's in negotiating for the rights to occupy the utility pole. The staff over at pdot has explained it to me that they will have -- they will get a notice from the utility and it may be up sometimes as long as a year --

Soloos: Or longer.

Walters: Before the actual application comes in, because the utility and the cell phone company have spent that much time negotiating the specific terms of who's going to cover the cost of the replacement pole, and what kind of pole will be necessary, etc. So it's not often -- it's not us that holds up the process, it's the utility and the cell phone companies. So I don't know at this point in time whether we would get a flurry of them, but if we were to get a flurry of them, it's unlikely they would be able to get that through the utility process, given prior experience.

Adams: You had a comment?

Soloos: There are six pending right now in your office, the applications aren't complete.

Adams: So I just take the pulse of council is there's support in council for three months?

Leonard: I guess i'm not --

Saltzman: I'm more comfortable with six months. I've taken to heart what ben said about us playing into their hands, and even though it may not sound like it, taking the hard ball attitude, he's more cognizant with the litigation, more involved with these companies, if we're creating a legal uncertainty with six months, i'm concerned -- we're working on a policy, we'll have it in a couple months. And I think we should at least extend these for six months.

Leonard: Well the only concern I have is that by extending it six months, we can assure ourselves of more of these things edifices being constructed in residential neighborhoods. If we don't vote this through today, I appreciate ben's concern, I want to you know I understand your caution. But I also know that absent an agreement, the cell phone companies will be a little terrified. And I figure they need to sooner rather than later figure out a solution to problems like this. And I don't -- i'm not really fearful we're going to start ripping up cell phone towers in the right of way absent an agreement. I'm pretty comfortable we're not going to do that. But I do think it's going to cause you to have some leverage in sitting down and discussing with them in the next two weeks an appropriate amendment to the current agreement that gives us the ability to not allow this this kind of thing to happen in people's neighborhoods. I would feel a whole lot better be more lenient if they agreed to yank that out of this neighborhood as well.

Adams: To facilitate clear communication, ben if we did that, I know commissioner Leonard's intentions are good, do you -- what response do you think the cell phone companies would make?

Walters: Given the experience in san diego, san francisco, anacortes, Washington, other cities up and down the west coast, I think the first reaction will be for them to contact their lawyers and gear up for litigation.

Leonard: Based on what? That we didn't agree to language that we have the right to negotiate? We have to agree to whatever they tell to us agree to?

Walters: If -- no. That's not the way the process came out before, and its not the way we're anticipating the process coming out now we've--

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Leonard: All i'm saying is, between now and two weeks from now why can't you sit down with them and say we have a problem with a lack of language that allows to us regulate these kinds of placements? That's not it -- that's it. We want language --

Adams: I think he understands. Your reply, ben?

Walters: I'm -- in part I think it's a staffing problem. I'm not sure that staff is going to be able to, within two weeks, wrap this up and have --

Leonard: I'll write the language. All you have to do is give it to them.

Adams: There is a possibility that if we provide for an appeals process and staff up for an appeals process, is there or is there not a possibility under the federal rules that we could comply with the federal rules and have more influence on where these poles are exactly placed?

Walters: The san francisco and san diego litigation and the anacortes litigation all arose out of challenges to the city's asserting authority over the aesthetics of the facilities. And if the stand that the city is going to take is that we are going to assert more authority over the aesthetics of these facilities --

Adams: Does that mean placement?

Walters: Not placement, but aesthetics.

Leonard: We're talking about placements not aesthetics.

Adams: We understand. Go ahead, ben.

Walters: That will also -- we will need to identify resources because a large part of the placement issues pertain to the engineering drivers of providing coverage for consumer demand. And so we will have to gear up because it will become discussions among engineers about whether or not what they are proposing or what we would counter propose is the appropriate, so it will be a discussion among experts.

Adams: Why didn't these other communities go after placement?

Walters: Some of them did. Most of the litigation right now is over whether or not there's any authority to regulate the placement of them --

Adams: What's the legal precedence for placement?

Walters: Well, right now the san diego case, the court of -- the district court struck down the city's regulations all together. The ninth circuit --

Adams: Included placement?

Walters: Which included placement. The ninth circuit affirmed and they held an unbunk oral argument, onbunk means they decided to reconsider that and the oral argument on that reconsideration occurred this morning. The city attorney's office working with outside council filed an amicus brief in that case --

Adams: Our city attorney?

Walters: Yes. Our office.

Fish: If I could jump in on one point. If a city council takes action that a utility wireless company disagrees with, they have the right to challenge it. If the parties try to negotiate a reasonable system at the table, come up with something, they have some concerns here, because there's bad publicity, there's potential health risks, notwithstanding congress saying we can't consider those things. There's -- they have a myriad of concerns in addition of protecting the legal position. It doesn't preclude them from negotiating with us a system they can live with.

Adams: My question leads to, have they ever done that? In any city on the west coast, or do they do this as a rule, or just fight in the court? I'm trying to find out more about what happens when it goes to court.

Walters: I do not have an answer for you on their willingness to participate in negotiations. I am very familiar with the extensive litigation history that has been going on in this area.

Saltzman: You said this morning the full ninth circuit basically affirmed the lower court --

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Walters: No, the full ninth circuit heard oral argument this morning on the reconsideration of the prior three-judge panel's affirmation--

Saltzman: They just heard it this morning.

Walters: They just heard it this morning.

Adams: It sounds like there is intense interest on behalf of every member of the council to be able to provide for more local control, ideally cooperatively between the city and the providers and it sounds like we would like some -- we would -- there would be support on council to provide time for those conversations to happen. Between I would -- how many days? What's your minimum?

Leonard: I'm not understanding -- I hear your issue on the aesthetics. I'm not hearing you say we don't have the right to negotiate the placement.

Adams: He actually said which is san diego which is the one that's in court today--

Leonard: So it was wrapped up in that he didn't identify that--

Adams: No, placement was is of the issues you said ben, right?

Walters: Well getting back to a point that was made earlier this morning. I'm not aware of legal precedence specifically on that issue of placement.

Adams: So what's in san diego- what did san diego--

Walters: San diegos was a land use regulation including locating in the right of way. And the entire scheme was struck down.

Adams: That's not placement?

Walters: Placement was probably a part of it I don't know for certain.

Adams: Okay.

Fish: And were not suggesting making this a part of the formal land use proceedings of the city. Some of the things I am concerned about are adequate and clear notice to affected communities, some kind of process whereby you have to get a permit and we have a chance to review it and engage about alternatives. If it's in front of a day care facility or in front of a home, one of the arguments these homeowners made is that they wonder whether they could sell their home again.

Adams: I understand. The question before us today is how much time by do you want to extend these. The arguments have all been put out there.

Fish: I move 30-days.

Adams: A 30-day extension.

Fish: 30 day extension we can take it up again but we'll get a prompt response --

Leonard: I'll do it 30 days if you'll agree in 30 days we don't have the right language you'll join with me in voting against it.

Adams: All right 30-days. I'm going to take that as a motion.

Fish: I'm moving 30 days.

Adams: I know is there a second?

Saltzman: Move six months.

Adams: First off there's no second to the motion. I do get a second as chair? I don't, do i?

Leonard: Yes, you do.

Walters: I'm going to have to change hats here. Yes, you actually can. You're not -- this is not a body in which you are forbidden --

Adams: For the sake of discussion, 30 days, and what exactly do we want to have happen in 30 days, commissioner fish again just so we give good direction to staff, or six months, or however long we end up deciding this?

Leonard: I hope commissioner fish sticks with 30 days and I hope commissioner Saltzman sticks with six months. Because I intend to vote against both of them, and in the end my will will prevail.

[laughter]

Adams: What you lack if humility you more than make up for in wishful thinking. So whether it's -
- What do you want to happen in 30 days commissioner fish?

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Fish: Ideally we'd have a proposal that was already prepared by the city on how we're going to address this one. I would say this 30 days to have council and the office contact these providers and engage them in discussion about whether they're prepared to negotiate with us over some reasonable restrictions on placement of cell phone towers, talking about some of these case studies, and we'll either get a willingness to do that and possibly even an agreement to do a moratorium until those negotiations are finished, or a letter from council and we'll know where we stand when it expires after 30 days.

Adams: Okay I second this motion and i'm going to speak against it because I think that our chances for moving forward actually are best achieved not taking on specific companies. And not letting them decide, i'd rather take this on as a policy, i'd rather not have the legal shops of three companies suddenly focus order trying to defeat the city. I'd rather have a policy that we can agree to. If you can come back to us within three months of that policy -- three months with that policy, I know you might want longer, but there's great urgency up here --

Leonard: You've yet to discover if you have three votes for that commissioner adams.

Adams: We have a first and a second on the floor for 30 days. Unless there's more discussion we're going to call the vote on that. Karla?

Fish: Aye. **Leonard:** No. **Saltzman:** No.

Adams: No. So I propose -- am I allowed to make a motion?

Walters: Sure.

Adams: I propose three months and if we see a proposed that you come back within three months and keep -- you keep close eye on these applications, pdot does this as pro forma. This is not their area of expertise. You keep close eye on these application and if we start seeing a bunch of applications coming in because they're trying to get under the don't line, then we can play hard ball as commissioner Leonard suggests. So my motion is three months. Is there a second?

Fish: Second.

Adams: It's been moved and seconded is there additional discussion except for commissioner Leonard?

Leonard: That's just outrageous.

Adams: Let's call the vote.

Fish: Aye. **Leonard:** No. **Saltzman:** Aye.

Adams: Aye. All right. We now are voting on a three-month extension. We'll vote individually unless there's further discussion on 895, 896, 897.

Walters: A point of clarification. So on ordinance number 895, the --

Leonard: They're emergency ordinances.

Walters: Their emergency ordinances, yes they are.

Leonard: Ooh, that's just too bad. That's really too bad.

Saltzman: Oh.

Adams: All right.

Walters: The amendment would be to replace in line three of paragraph A december 31st, 2009 to september 30th, 2008.

Adams: That's what we just did.

Walters: Right, I'm just for the record --

Adams: Ok. If these emergency ordinances fail, what is the implications of -- what are the implications of that?

Walters: All three of these I believe otherwise expire on june 30th, 2008, and the city code provides that if the -- if someone does not have a grant of authority from the city council, whether by franchise or otherwise, then it is unlawful for them to have facilities in the right of way.

Leonard: If we could have this tower removed --

Walters: Well it would not just be this tower, it would be all of the facilities in the right of way.

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Leonard: We start with this tower? Can we start with this tower?

Adams: Commissioner Leonard, if I thought your way forward was in the best interest of the folks affected by these towers, which have shown up across north Portland and the city and we've dealt with for years, if I thought your way forward would get us closer to some local control, I support you. However, I think that letting these franchises lapse, which will immediately I can guarantee have their legal shops after us, they have considerable, all of these --

Leonard: We agree to an agreement, or else? That's the way these negotiation go? You agree to this or else?

Adams: Unfortunately this is coming to the city council with days left on their franchise.

Leonard: That's not my problem. I'm tired of dealing with a group of people who are so wantonly disregarding the livability of our city, and --

Adams: I agree with you.

Leonard: I'm intractable on that issue. They've demonstrated to me time and again their lack of respect for our community on a number of levels, and as far as i'm concerned they can sit down quickly and negotiate the appropriate language, and i'm happy to meet again, vote again, but --

Adams: Any other discussion?

Saltzman: Aren't you telling them in essence the same thing you say they're telling us?

Leonard: Yes.

Saltzman: Agree with us or not.

Leonard: No I mean I have the right to agree to agreements or not. It doesn't have the language in it that gives us at least the ability to put them in a more appropriate place. And I'm not comfortable with that.

Walters: The risk is that we might lose control over this all together.

Leonard: We'll see. I don't think that's true. We'll see.

Fish: What would I suggest if we don't -- it appears we're not going to have the votes to extend, and therefore we're not -- these ordinances are going to fail. Is that I think the strong message of council is that we would like these providers to come to the table and address these concerns.

Leonard: Exactly.

Fish: And the concern may be one answer may be, we understand your concerns --

Leonard: Let's set it over until tomorrow.

Adams: Do we have an agenda tomorrow?

Moore: We do. The budget items.

Leonard: Set it over until tomorrow.

Fish: I'll second that motion.

Saltzman: Then what are we going to do tomorrow?

Leonard: Let's see how bad they want to have an agreement. We're not asking for anything unreasonable. We're asking them not to put them in front of people's homes in neighborhoods.

Adams: Hang on. What do you want to have happen between now and tomorrow?

Leonard: Give them a call, say, do we have a problem? And the problem is the council is upset you're doing stuff like this, and not placing them in commercially acceptable places. That's a simple land use --

Adams: Commercial zoning --

Leonard: Put them in main thoroughfares. I've advocated for them to use utility poles --

Adams: Arterial streets, I'm just trying to get clarity here, and neighborhoods that are zoned commercial and I assume industrial.

Saltzman: That's the very policy we're working on.

Fish: With adequate notice.

Leonard: It doesn't seem to be working too well if that's the result.

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Fish: With notice with adequate notice to the affected community. However we define that. Some adequate nonmisleading notice that's going to happen and then some agreement as to where they're going to be located.

Leonard: Yeah.

Fish: The aesthetic issue comes down to people from the telecommunications industry saying that they paint these poles black to blend in.

Adams: We're setting -- unless there's objection we'll set this over to tomorrow and the conversation that council would like you to have with these three companies is that they agree to collocate, they agree to place their equipment or their poles in -- along arterial streets or in commercial or industrial zoned adjacent land, because they're in the right of way. And there's a notice that they -- I assume we'll hear their best ideas on what constitutes adequate notice. And this is what we -- this is just between today and tomorrow. Anything else?

Fish: I would say the feasibility removing of that pole.

Leonard: Yes. Exactly. That would --

Saltzman: Do we even know which one these carriers is responsible?

Soloos: We do. That's t mobile.

Adams: They one of these three?

Walters: No, they're not.

Soloos: Voicestream.

Walters: Oh, it s voicestream.

Adams: With all due respect there are houses all over the city that have complaints over the years, and I think that last condition is a bit much.

Leonard: Like this? There are these in residential neighborhoods?

Adams: All over the city. That we have been told by --

Leonard: Is that right? I've never seen anything like that in a residential --

Adams: Ok, that's -- .

Fish: As sam pointed out they're in north Portland, various places. You won't find one in the grant park neighborhood in front of a house.

Adams: Those are the four things this particular pole, I just don't think it's fair because I don't think it's fair to poke on -- pick on just one beneficiary when there are potential beneficiaries across the city. So I object to that last piece. Those four things is what we're asking staff to look at between now and tomorrow, and we'll hear this, the 2:00 is the budget, what is it? It's the city's budget?

Moore: It is the budget. I would put it on the regular agenda.

Adams: The crc is a work session. We'll put it following the budget tomorrow. We're holding it over unless there's objection to tomorrow. Any other discussion on items 895, 96, 97? Hearing none, we will move to 898. This is an emergency ordinance.

Item 898.

Adams: Is there any discussion from council?

Saltzman: Don't ask.

Adams: This is an emergency.

Fish: Do you remember when newt gingrich had the camera in the house turned to show he's talking to an empty table? I just want to say for the benefit of the 300 people that are here.

Adams: All right. Is there anyone here that would like to testify on this issue? This is an emergency ordinance. Please call the roll. Did you read it?

Moore: I did.

Fish: Aye. **Leonard:** Aye. **Saltzman:** Aye.

Adams: Aye. Item number 899. Which is an emergency ordinance.

Item 899.

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Adams: Any discussion or questions from council? Anyone in the room that would like to testify on item 899? Please call the vote.

Fish: Aye. **Leonard:** Aye. **Saltzman:** Aye.

Adams: Aye. Item 900, an emergency ordinance.

Item 900.

Adams: Any discussion from council? Anyone in the room that would like to testify? This is an emergency, please call the vote on item 900.

Fish: Aye. **Leonard:** Aye. **Saltzman:** Aye.

Adams: Aye. Item 901 an emergency ordinance.

Item 901.

Adams: Any discussion from council? Anyone in the room that would like to testify on item 901? Hearing none this is an emergencies please call the vote.

Fish: Aye. **Leonard:** Aye. **Saltzman:** Aye.

Adams: Aye. Item passes. Item 902.

Item 902.

Adams: Any comments or questions from council? Anyone in the room that would like to testify on item 902? This is an emergency ordinance, please call the roll.

Fish: Aye. **Leonard:** Aye. **Saltzman:** Aye.

Adams: Aye. It passes. Item 903 this is second reading, vote only.

Item 903.

Adams: Please call the vote.

Fish: Aye. **Leonard:** Aye. **Saltzman:** Aye.

Adams: Aye. Passes. 904, second reading, vote only.

Item 904.

Adams: Please call the vote.

Fish: I want to point out we did have a hearing on this I think last week, and the council was comfortable with the assessment and rejected the arguments. Aye.

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

Adams: Aye. We stand recessed until 2:00 tomorrow [gavel pounded]

At 2:33 p.m., Council recessed.

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Closed Caption File of Portland City Council Meeting

This file was produced through the closed captioning process for the televised City Council broadcast.

Key: ***** means unidentified speaker.

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

JUNE 26, 2008 2:00 PM

Potter: A very special person to recognize. I think Portland is a very lucky and fortunate community to have people of the caliber of the person that we're celebrating today. Charles fort has lived in this city for 58 years, and I have known him for 41 years. When he joined the albina neighborhood back in 1967, I was a young police officer, just kind of hard for both of us to imagine being young, but it's true. And i've known him over the exeetding years in many different capacities, many different ways, and he's one of those folks who is a stall washt, a person that stands up for what is right, is there for not just the short haul, but the long haul, and a person who contributes way beyond what most individuals in our community can do. And that's one of the reasons that we are honoring charles ford today. His capacity for giving, and his capacity for helping solve problems that to some would seem intractable. With that, charles, could you please come up to one of these seats so we could officially recognize you? [applause] I just want to read a few of the things that charles has done over the intervening years. He joined the albina neighborhood association back in 1967. He's worked on police community relation was the citizens advisory committees, been a king neighborhood facility director, coalition of neighborhood boards member, Portland internal audit committee, the gang violence youth task force. Held neighborhood planning meetings on his porch, and became a very important part of our gang violence task force. Those are just a few of the things that mr. Ford is known for. And before I read the proclamation, I understand mr. Ford, there's a couple folks who would like to say some words today.

Charles Ford: That's true.

Potter: Is it assistant chief bret smith?

Ford: He's one of them. And hal williams.

Potter: Mr. Williams, could you come forward and, chief smith?

Ford: We have a lady -- you can't put this together without a lady. Judith?

Potter: We only have three chairs. You're so popular.

Harold Williams: Mayor Potter, members of the council. My name is harold williams. I'm here to speak on behalf of this great gentleman, mr. Ford. He is the symbol of fatherhood, mentor, the positiveness of this city and our community. Many times when those who had no voice, mr. Ford spoke up. For those who could not hear the sounds of hope, mr. Ford was their ears. When things were tough and no one was willing to stand, he stood tall. And anything that was right, he stood forward. He often said, "i don't stand for black or white. I stand for what is right." and in that process, he has been the symbol of what this city is all about. Many times at midnight when he'd call me, it is usually to burn my ear when I didn't do right, to tell me what I had to do, that I will do, and of course I did as he instructed. It is often when people like mr. Ford calls, you respond. Many are called, but few are chosen. Mr. Ford was called, and he was chosen by the men of high to represent what the human race is all about. He often says "it is one race, the human race, and if we embrace each other, love each other, and speak to the kindness much the humankind, then we

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would be a better people in Portland, Oregon." and he often talks about our rose garden, that we have all the colors and hue and fragrance in that rose garden that represents the city of Portland. And in that process had has sent a beautiful bouquet for the hope of children yet unborn to have a place and a stage to have a voice. This is the great man, I appreciate personally that you recognize in him for his contribution, for the difficulties of life, we can handle with ease. Mr. Ford says the impossible takes a little bit longer. And I thank you very much for recognizing a phenomenal man. Thank you.

Potter: Thank you, mr. Williams. [applause]

Brett Smith, Portland Police Bureau: Bret smith for the Portland police bureau. I've been with the bureau for over 27 years. I echo what you have said, and I also want to thank all of you for recognizing mr. Ford for his efforts. I first got to meet mr. Ford in 2001 when I was assigned to i.a.d. At that time he was chair with the piiiac committee. That's been replaced with i.p.r. But through that opportunity, got to meet somebody who not often sometimes -- it wasn't often we always agree, but it was clear that he had a passion to try to make things better as I did and was learning to do at being a part of the internal affairs division at that time. He saw past the uniform, which often sometimes is not easy to do for a lot of people. Especially when you're dealing with difficult situations and circumstances that can be a stumbling block. It was really much appreciated, and I think from my perspective, because he saw something in me of value that allowed me to be encouraged to carry on as a member of the police bureau, and as an individual, trying to be active and trying to participate in what I thought we were trying to represent in what I wanted to represent, the values of our organization. So he's an encourager, he was patient, he was faithful, and it was very clear that he was an individual who was committed to the tasks to the very end. At times when it was hard for people to participate and be involved, he was still there and you could count on him being there. Not just for me personally, but for his community and for the Portland police bureau. Because he believed that they needed to work together. And they needed to find a common ground and common interest, which there were there, and to work toward those rather than focus on the things that were destructive that didn't allow progress to take place. We did have different point of views at times, but that's allowed us to have a relationship that I valued as being special and important. We agreed to be honest with each other, and we agreed that we could disagree. But we wouldn't let those disagreements to stop us, as individuals or as an organization or community to ton to move toward progress, even when it appeared as though there were difficulty and roadblocks ahead and lack of community support or bureau support at different times. So we had community goals that were shared and visions that were shared and values that were shared, they all had to do with the community, they had to do with the development enhancement of the community, and the police bureau to be accountable, and to work together to problem solve in those areas. He was an active voice, and he was consistent in his voice in that regard, and through that, not only what I say that he's been a friend of the Portland police bureau and his community, but we have grown into a friendship that I very much appreciate. So I do thank you again for your consistency and faith in the Portland police bureau, and behalf of the Portland police bureau, we thank you. We think it's an honor you be recognized, and I thank you for your friendship. Thank you. [applause]

Judith Mowry, Office of Neighborhood Involvement: I'm judith mowery with the office of neighborhood involvement. Also the facilitator. And mr. Ford came and was a very powerful speaker to the groups that were meet can to hear the stories. I would like all of the things that have been said are clearly true, and I would like to appreciate mr. Ford the way that you challenge us. You challenge us to think beyond what we think we already know. And i've learned a great deal from you. Particularly from being challenged in that way. And i'm deeply grateful for that. In the restorative listening process we're hearing a lot about a community that held together and worked together, and moved forward under very difficult circumstances. And one of the pains that we have

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heard around issues of gentrification is that those efforts, that time, that community, disappears. And the history is so important to recognize. So I would like to say that i'm delighted the city is giving mr. Ford this honor, and I hope we'll find a place that we can erect some kind after memorial to mr. Ford's work in the community. I think he exemplifies the kind of caring and commitment and work across the boundaries that really make this a very special place to live. Thank you again, mr. Ford.

Ford: Thank you. [applause]

Potter: I'm going to read a proclamation, and then as always, mr. Ford will have the last word. [laughter] proclamation reads -- whereas charles ford has made extraordinary contributions for the greater good of all Portland and its neighbors, and whereas the city has benefited from the numerous committees and groups charles ford has participated in or chaired, whereas charles ford became a community activist in 1967 while serving as a member of the albina neighborhood association, and has served as creative voice in community problem solving for over 40 years. Whereas charles ford served on the police community relations citizens advisory committee from 1967-1975, which he chaired from '72-75, whereas charles ford served as the king neighborhood facility director from 1985-1995, and served as the board member of the northeast coalition of neighborhoods from 1985-2008, and whereas charles ford was one of 16 delegates from Portland to attend the west coast gang conference in anaheim, california, 1987, which provided invaluable information to Portland officials, stressing the value of outreach workers, working with law enforcement officials, to address gang behavior. Whereas charles ford cofounded in 1987 along with five other community members, Portland's gang violence task force, a proactive committee researching national best practices and still serves as an active member of that organization. Whereas charles ford was a speaker at the restorative listening project in 2008, which has served the community in providing insight into the issue of gentrification in north and northeast Portland neighborhoods. Whereas charles ford's over 40 years of public service has created a link between the residents of Portland, public service agencies, and private nonprofit programming connecting a body of work that amounts to an immeasurable contribution to an entire community. Now therefore I tom Potter, mayor of the city of Portland, Oregon, the city of roses, do hereby declare june -- what is today, the 26th, as -- it has the wrong date on this, I believe -- as an official day of appreciation for charles ford in Portland. I encourage all residents to observe this day. Charles, this is the proclamation that I want to give to you. Could we join in giving mr. Ford our approval and appreciation through applause? [applause]

Ford: It's like i'm almost unprepared.

Potter: Mr. Ford, you get the last word.

Ford: Mayor, thank you so much for what you have done. I know some of you sitting out there -- expecting a nice, long speech. Guess what? You won't get it today. I planned my segment around other people, people who I know and believe in. I am extremely proud to be who I am. Yes, I spent a lot of years in the streets of Portland, Oregon, because I came here in 1951, I left mississippi because I was unhappy there, life was miserable. I did -- when I got here I didn't find what I hoped to find. So I realized shortly thereafter I can't run from mississippi to Oregon, Oregon someplace else. So I made a choice to stop and eventually get involved, and that's what I did, and i'm glad I did it. The reason i'm so happy, because sitting behind me is part of my family, my wife and i, are the proud parents of six children. God bless her, she's up there in heaven.

Potter: Could you have your children stand?

Ford: Yes, I will, sir. Would you guys all stand? [applause] there are two grandchildren also.

Potter: Let's have the grandchildren. [applause]

Ford: I have a lot to be proud of. I carry a lot of that pride from my wife. Thanks to the community, yes, i'm going to repeat, I have been unbelievably involved. There are times I asked my wife, am I getting carried away? And she'd tell me, as long as you don't think so, it's all right.

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I'd like to leave this with all of us, all that you heard, you might be surprised that Portland, Oregon, has changed. There's a lot of good things that happened, a lot of negative things. But you've got to keep working on it. Sooner or later something good will happen to this city. It's only going to happen if we stay involved. Whatever we did 20, 40 years ago, things -- things have a habit of slipping in the past very quickly. This all started around citizens' participation in our local government. I would encourage anybody looking at the government that's in front of us here, and say to you, encourage citizen participation. It's valuable, it's needed. There are too many ifs. We don't know what city hall is doing. Go down, get involved, and find out. That's my encouragement to them. Last thing I will say, I learned how to do something out of this whole process, that something I learned to do was eliminate the negatives. Create a positive. A positive within yourself. The first thing we must learn to do is learn to love. It is a powerful tool. I hope you, all of you can carry this message with you, every once in a while think about it. Think about where you came from. Love thy neighbor as thyself. I appreciate it very much. Thank you. [applause]

Potter: For those of how wish to, please go to the atrium, there's going to be a reception for mr. Ford. We apologize as the council, we have to attend a business here, but please join mr. Ford down on the atrium for a celebration.

Potter: Portland city council will come to order. Please call the roll.
[roll call]

Potter: 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.

Item 905.

Potter: Is there public testimony -- go ahead. Excuse me.

Casey Short, Office of Management and Finance: Thank you, mr. Mayor. Council, Casey Short, financial planning manager. We have the usual end of year budget actions to take care of today. I know have you other business to take care of, so I'll be as brief as I can. The item before you on this one is the spring bump. This is relatively noncontroversial item. There are new requests, 5.2 million dollars from contingency along with a good number of carryover requests, most of the contingency is for the compensation set-aside, and there are additional requests, the three of significance there are releasing the \$700,000 for what was park block five and now is or will be Simon and Helen Director Park and the two items that the council considered earlier this year on setting aside funds for the Salvation Army move and the pawn shop database. The major policy item outside of that is transferring funds from o.m.f., taking savings o.m.f. Has realized in its other operations in the general fund and directing them toward the environmental business -- the enterprise business solution project. That's all my prepared remarks. If there are any questions, I'll be happy to answer them.

Potter: Any questions from the commissioners? Thank you. Did you have one?

Adams: Negative. Is now the time to ask, or later, about the wellness program?

Short: I suppose that would depend on whether you want to do something in the current year's budget or next year? I think probably next year, and that would be more likely under the consideration of the '08-09 budget, which comes later.

Adams: And your recommendation the way it is based on --

Short: If you're dealing with making an additional appropriation or dealing with something that's going to happen next fiscal year, then we think that discussion would come under the discussion of next fiscal year. If you want to talk about it now -- I'm not going to tell you when and when you can't discuss something.

Adams: I'll wait.

Potter: Is there anybody signed up to testify?

Moore-Love: No one signed up.

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Potter: Is there anybody here who wishes to address this issue? It's an emergency, please call the vote.

Adams: I want to take this opportunity to thank Casey and Ken and the entire team for this year's budget process. Really appreciate all your work. It's a lot of work, and I look forward to our future adventures together ahead. Aye.

Fish: Aye. **Leonard:** Aye.

Saltzman: I also want to thank everybody from o.m.f. And f.p.d. Who worked to get to this point. Thank you. Aye.

Potter: Aye. [gavel pounded] please read item 906.

Item 906.

Short: This item is largely technical. The major supplemental budget, if a fund changes, increases proposed reagents by more than 10%, it has to go through a separate process from what we just went through for the spring bump. Hold a hearing with the tax supervising conservation commission which was held yesterday, and so it comes before you today for approval. The four funds are the golf fund, the parks trust fund, federal grants fund and the sewer construction fund of. Of that \$112 million, \$107 million is related to environmental services, which is recognizing additional fund balance to pay some bond issues costs and the remainder of that money is dropping to the fund's continuing si. Even though this is a large number, the items here are pretty much all technical in nature.

Potter: Is anyone signed up to testify?

Moore-Love: No one signed up.

Potter: It's an emergency, please call the vote.

Adams: Aye. **Fish:** Aye. **Leonard:** Aye. **Saltzman:** Aye. **Potter:** Aye. [gavel pounded] please read the 2:15 time certain.

Item 908.

Potter: This hearing is being held by the city council of Portland, Oregon. Compliance with the provisions of the state revenue sharing regulations ORS 221.770. To allow citizens to comment on the proposed use these funds as proposed for council adoption, the fiscal year 2008-2009 budget anticipates receipts totalling \$4,734,942 from state revenue sharing under O.R.S. 221.770. As has been the case in prior years as proposed this revenue be allocated in equal parts to support fire prevention and police patrol services. So with that, I'll turn it over to Casey.

Short: This is just a public hearing on this item.

Potter: Do we have a sign-up sheet.

Moore-Love: I did. No one signed up.

Potter: Is there anyone here who wishes to address this issue? Ok.

Short: The next item is the resolution to certify the --

Potter: Please read item 908.

Item 908.

Potter: Likewise. Anybody sign up for this one?

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

Potter: A resolution, please call the vote.

Adams: Aye. **Leonard:** Aye. **Fish:** Aye. **Saltzman:** Aye. **Potter:** Aye. [gavel pounded]

Leonard: The way it used to be. Until he came along. [laughter]

Potter: Please read 909.

Item 909.

Short: This is pretty routine, and it's required for the city to receive these funds.

Potter: It's an emergency, please call the vote.

Adams: This is our portion of the syntax. Aye -- sin tax. Aye.

Fish: Aye. **Leonard:** Aye. **Saltzman:** Aye. **Potter:** Aye. [gavel pounded] please read item 910.

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Item 910.

Short: Council adopts funds, creates and disposes of funds by ordinance. This would provide for two funds to change for the '08-09 budget, one is to eliminate the public safety fund which was created a number of years ago, and its need has lapsed and the resources from that are going into the emergency communication fund. The other is to change the name of the federal grants fund to the grants fund because it's going to be broader in scope than just dispensing federal grants in the coming year, particularly with the new enterprise business solution project.

Potter: Questions? Did anyone sign up to testify?

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

Adams: That last part about -- can you say the last part again about the enterprise business funds?

Short: It's not a fund, commissioner. Under the protocols and the way the new system is going to work, the way money floats through from federal and state grants is going to be treated a little differently. So it's going to broaden the use of that fund.

Adams: Thank you.

Potter: Did you say there was anybody signed up to testify? Is there anyone who wishes to address this issue? Emergency, please call the vote.

Adams: Aye. **Fish:** Yes. **Leonard:** Aye. **Saltzman:** Aye. **Potter:** Aye. [gavel pounded] please read taupe 911.

Item 911.

Short: This is the meat of the business, to adopt the budget for the coming fiscal year. I'd like to just summarize the changes that are in the adopted from what the council approved earlier this month. First is to recognize an additional \$625,000 in ongoing funds that were determined were available in doing our final balancing of the approved because of issues related to accounting for funds for the pffa settlement, the firefighter settlement the council concluded earlier this month. Those -- the disposition of those funds has been discussed, and the determination has been that we would include in the adopted budget, we would restore \$503,000 to the fire bureau to restore a rescue unit that had been cut in the approved. We would restore the final \$94,000 out of the \$2.7 million backfill to parks for the parks levy, and add \$28,000 of ongoing replacing one-time money for the office of human relations. In addition to recognizing those additional funds and disposing of those, other significant program changes are to recognize reduction in grant revenue from the housing community development block grants, and the home fund for housing and community development, and those funds are covered with additional funds that the council did put in to cover cola adjustments for providers in the approved budget. The funding for the one-stop domestic violence center has been moved from a special appropriation to commissioner Saltzman's office, we're anticipating this will be temporary pending a determination of where organizationally that program is going to be housed. Reducing the rainy day reserve by \$150,000 from \$5 million to \$4.8591, and that will go 75,000 to pdot for work on the north-northeast killingsworth study and program, and \$75,000 for youth violence prevention grants. The other thing is to move the international relations position from government relations back to the mayor's office. In other funds, there's a reduction in contingency from park and facilities fund, no net change to the fund, and reducing a couple of capital projects in the water fund, or in the water bureau to provide funding for the emergency coordination center. Among technical adjustments, removing the school family housing appropriation from special appropriations to bhcd, that's \$500,000 for rent assistance, and there are some carryovers from the spring bump that we're appropriating in this budget, so the money will be available immediately on the first of july, that's where human relations, street access for everyone, and the local public safety coordinating council. Finally, there are a couple of changes to budget notes, but those are just technical to implement the changes that we're proposing be made for the rainy day fund and items that are funded with ongoing money that

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had heretofore be proposed with one-time money. With that, I will answer any of your question and address commissioner Adams' concerns about the wellness program.

Adams: Please proceed.

Short: You asked at the budget approval for some work to be done on increasing the amount of funding for the wellness program in the bureau of human resources up to \$250,000. B.h.r. Has prepared a proposal for how those funds would be administered if they were made available. And I sent those when you were out of the country, commissioner. If the council were to choose to appropriate these funds today for '08-09, that would require amending what's before you today to take those funds probably out of either the rainy day fund where there is some unallocated money or reducing contingency, I would be reluctant to recommend releasing the general contingency. I think the alternative would be to consider this in the context of the fall bump, if you wanted to consider it more -- that's council's call.

Adams: We can't -- what I've suggested is the overhead model, so that the enterprise bureaus are paying for part of it.

Short: In the -- technically in the structure of the overhead model, the way it works these days is that this is following some recommendations from some outside consultants we had look at this three or four years ago. In the first year, if we allocate funds to overhead, so the rest of the bureaus pay a proportional share along with the general fund, those don't come into play for another year hence. Because we set the overhead amount early in the year, last fall, for '08-09. We give the bureaus that number and stick with that number. If there's any changes to overhead in the first year of the general fund has to absorb it. In the first year the general fund has to absorb it.

Adams: I'm fine with delaying consideration until the fall bump, but I just -- this is one of those sort of boring housekeeping things, but I think the testimony from the copea labor leaders and talking to the labor leaders in my bureauing was really alarming. I know we've done pretty well in terms of health care benefits, but we can't point to anything that we've done that we can attribute to that. We have the fire bureau that has excellent programs, and other bureaus we have questions about. So I just don't want us to be a year and a half, two years down the road and suddenly we're seeing all kinds of health care increases. So I'm willing to set it over to the fall, but ask that you work with the rest of council on coming up with some sort of package that everyone can support.

Short: We'll do that.

Potter: Other questions? Is there a sign-up sheet.

Moore-Love: There was. No one signed up.

Potter: Is there anyone here who wishes to address this specific issue? It's an emergency, call the vote.

Adams: Aye. **Fish:** Aye. **Leonard:** Aye. **Saltzman:** Aye. **Potter:** Aye. [gavel pounded] do we have a problem?

Short: I believe, mr. Mayor, the council needs to move to accept the recommendations put forward to you and the things outlined in the memo we got, because that's -- in order to change the approved budget to incorporate those changes.

Potter: Moved and seconded. Please call the vote.

Adams: Aye. **Fish:** Aye.

Leonard: Upon reflection -- [laughter] aye.

Adams: You'll have your time to grandstand later in the meeting.

Saltzman: Aye.

Potter: Aye. [gavel pounded] now do we have to revote on the budget?

Short: I believe so.

Potter: Please call the vote.

Adams: Aye. **Fish:** Aye. **Leonard:** Aye. **Saltzman:** Aye. **Potter:** Aye. [gavel pounded] please read item 912.

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Item 912.

Short: This does what it says it does. It levies the property taxes and allows us to send those to the counties.

Leonard: My favorite part.

Potter: Questions?

Saltzman: Do we need a motion?

Potter: It's an emergency.

Short: It's an ordinance.

Potter: Did we have a sign-up sheet?

Moore-Love: We did, no one signed up.

Potter: Ok, please call the vote.

Adams: Aye. **Fish:** Aye. **Leonard:** Aye. **Saltzman:** Aye. **Potter:** Aye. [gavel pounded]

Potter: Please read item 875.

Saltzman: We did vote on that yesterday.

Moore-Love: It passed to a second reading.

Saltzman: 895, 96, 97.

Potter: Please read the three together.

Items 895, 896, and 897.

Potter: Commissioner Saltzman?

Saltzman: Thank you, mr. Mayor, members of the council. Yesterday the council had three questions of t mobile, at&t, and sprint regarding the placement of new wireless antennas. At present we have heard from two of the three, t mobile and sprint. The questions that were asked by them followed by their answers are, one, would the carrier agree to colocate antennas on utility poles, buildings or structures, commercial employment or industrial zones instead of residential zones? Answer -- both t mobile and sprint generally do this now and only look to residential areas as a last resort. Question number two, if the carrier must place antennas on a utility pole, in a residential area, will it agree to only colocate on poles that are on arterials? Answer, both t mobile and sprint agreed with the caveat that a pole on a local nonarterial street might be a last resort. Question number three, when a utility pole is being replaced in a residential zone, will the carrier agree to provide reasonable and adequate notice of the changes to surrounding residents? Answer, t mobile does this now for antennas on utility poles or new cell towers. Sprint already provides this kind of notice for land use cases and can seriously consider providing notice now when it plans taller utility poles, in anticipation of that requirement in the renewal template we're working on. And finally both t mobile and sprint agree that the best way to address these important aesthetic and placement issues is to complete the public process we spoke about yesterday that we are in the midst of, and to do that, they are requesting an extension of preferably six months. And cable office staff concur was this assessment, and this information, I think we would like the time to complete the policy, bring it to the council, and to provide six-month extensions to these three carriers rather than one year extensions. And I would -- I believe I need to make that motion. Because we did amend it yesterday to three months.

Potter: Can we make a motion on each one individually?

Moore: We just made one yesterday.

Potter: Motion has been made, do I have a second?

Adams: Second.

Potter: Call the vote.

Adams: Aye.

Fish: I'm going to vote aye and I want to thank commissioner Saltzman for taking a lead on these negotiations. [inaudible] open my eyes to what I think are some potentially abusive practices and the language in the document you've read about their intention and the backup is something I want

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to address, because frank lirks after seeing this so-called replacement pole placed without adequate notice in front of modest home in north Portland, it occurred to me that there is something ungressly unfair about this. It's compounded by the fact congress in its wisdom has declared we are preemptive from considering a number of the relevant issues like the health impact on a person who is the adjacent property owner, and we apparently have no recourse, there's no recourse of property owner in the event there's some diminution of value to the property by having this mammoth tower. So thank you for the invitation and participating in that process, because I think this is important. And notwithstanding the fact there apparently is significant litigation around these issues, I welcome a chance to sit down with these companies and try to negotiate terms which are fair and reasonable. Aye.

Leonard: I remain unconvinced that we as a city can't regulate the placement of these along commercial corridors. I mean, I just find it unpersuasive that we don't have the right as a city to regulate what's constructed in residential areas. So I would like to have the agreement reflect what I think is a very reasonable request, and that is that at time of placement of a tower, that they be placed in commercial corridors only, and not have it so that a resident wakes up, looks out their door and finds a cell phone tower literally in their front yard. I remain unconvinced that's not a reasonable request. In spite of some of what i've heard. Commissioner slament and I have had a chance to talk about this, I think he agrees with that, and i'll be looking at the agreement that comes up in three months to reflect that. And if there's a lot of bluster from the cell phone companies and so on about what I consider to be a reasonable request, my vote will reflect accordingly. At that time. But at this point i'll work with commissioner Saltzman to try to get to this reasonable compromise. I appreciate commissioner fish bringing this up, and I will very reluctantly still support this proposal. Aye.

Saltzman: Well, we will be bringing a policy to council shortly, and I expect it to be a robust discussion, as robust as yesterday's was, at least. I do want to thank david solo and mary beth henry and ben walters for all the help in getting some answers in a short time, and the work you'll be doing in the future as well. Aye.

Potter: Aye. [gavel pounded] now we vote on each of the three contracts?

Moore-Love: Yes.

Potter: Please read item 895.

Item 895.

Potter: I forgot to ask if we had public testimony.

Moore-Love: I think we took it yesterday.

Potter: Did we take it yesterday?

Moore-Love: If anybody wants to on the amendment --

Potter: Is there anyone here who wishes to address -- which we've already voted on -- the amendment? Ok. Please call the vote on 895.

Adams: Aye.

Fish: [inaudible] aye. **Leonard:** Aye. **Saltzman:** Aye. **Potter:** Aye. [gavel pounded] please read 896.

Item 896.

Potter: Please call the vote.

Adams: Aye.

Fish: Aye. **Leonard:** Aye. **Saltzman:** Aye. **Potter:** Aye. [gavel pounded] please read 897.

Item 897.

Potter: Please call the vote.

Adams: Aye. **Fish:** Aye. **Leonard:** Aye. **Saltzman:** Aye. **Potter:** Aye. [gavel pounded] council is adjourned until next week. We will reconvene at 3:15 this afternoon on a work session on the columbia river crossing.

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At 2:55 p.m., Council adjourned.