



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **10TH DAY OF JUNE, 2009** AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Adams, Presiding; Commissioners Fish, Fritz, Leonard and Saltzman, 5.

Commissioner Saltzman arrived at 9:33 a.m.

Commissioner Leonard arrived at 9:34 a.m.

Mayor Adams left at 11:49 a.m.

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

Item Nos. 797, 798 and 799 were pulled for discussion and on a Y-5 roll call, the balance of the Consent Agenda was adopted.

| | | Disposition: |
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| COMMUNICATIONS | | |
| 780 | Request of Lisa/Lee Iacuzzi - Not a Good Queer to address Council regarding heterosexism and the Portland Police (Communication) | PLACED ON FILE |
| 781 | Request of Gordy Molitor to address Council regarding proclamation awarded to Green Empowerment (Communication) | PLACED ON FILE |
| 782 | Request of Michael T. Murphy to address Council regarding sit/lie and money for non-profits, drug court (Communication) | PLACED ON FILE |
| 783 | Request of Patrick Nolen to address Council regarding sit/lie and homelessness (Communication) | PLACED ON FILE |
| 784 | Request of Tobiah Tillman to address Council regarding sit/lie law, dignity of humans and abuse of authority (Communication) | PLACED ON FILE |
| TIME CERTAINS | | |
| 785 | TIME CERTAIN: 9:30 AM – Proclaim June 10-19, 2009 as Reuse Week in Portland (Proclamation introduced by Mayor Adams) | PLACED ON FILE |

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| <p>786 TIME CERTAIN: 10:00 AM – Accept the bid of Stacy and Witbeck, Inc. for the Advance Utility Water Main Work – Phase One Construction Services Contract for \$6,636,265 to initiate construction of the Portland Streetcar Loop Project (Purchasing Report introduced by Mayor Adams – RFP No. 109563)</p> <p>(Y-5)</p> | <p align="center">ACCEPTED PREPARE CONTRACT</p> | |
| <p>*787 Adopt the Portland Streetcar Loop Capital Budget and Finance Plan, authorize a contract with Stacy and Witbeck, Inc., and provide for payment for the Advance Utility Water Main Work – Phase One Construction Services Contract for \$6,636,265 and other actions to initiate construction of the Portland Streetcar Loop Project (Ordinance introduced by Mayor Adams)</p> <p>(Y-5)</p> | <p align="center">182893</p> | |
| <p align="center">CONSENT AGENDA – NO DISCUSSION</p> <p align="center">Mayor Sam Adams</p> <p>788 Reappoint Alan Alexander III to the Mt. Hood Cable Regulatory Commission for term to expire May 31, 2012 (Report)</p> <p>(Y-5)</p> | | <p align="center">CONFIRMED</p> |
| <p align="center">Bureau of Planning & Sustainability</p> <p>*789 Approve a grant agreement with Portland Community College to provide Volunteer Literacy Program coordination and Adult English as Second Language classes in the Cully-Concordia area in the amount of \$15,000 (Ordinance)</p> <p>(Y-5)</p> | | <p align="center">182881</p> |
| <p align="center">Bureau of Transportation</p> <p>790 Set a hearing date, 9:30 a.m. Wednesday, July 8, 2009, to vacate SE 104th Ave between SE Cherry Blossom Dr and SE Main St (Report; VAC-10046)</p> <p>(Y-5)</p> | | <p align="center">ACCEPTED</p> |
| <p>*791 Grant revocable permit to Scandals Lounge and Restaurant to close SW Stark St between SW 11th Ave and SW 12th Ave from 7:00 a.m. until 11:59 p.m. on July 5, 2009 (Ordinance)</p> <p>(Y-5)</p> | <p align="center">182882</p> | |
| <p>792 Grant revocable permit to PREM Group to close NW Couch St between NW 11th Ave and NW 12th Ave from 12:01 p.m. to 10:00 p.m. on July 23, 2009 (Second Reading Agenda 757)</p> <p>(Y-5)</p> | <p align="center">182883</p> | |
| <p align="center">Office of City Attorney</p> <p>*793 Pay claim of Charles Morgan (Ordinance)</p> <p>(Y-5)</p> | | <p align="center">182884</p> |

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**Commissioner Nick Fish
Position No. 2**

Bureau of Housing and Community Development

***794** Authorize application to the Department of Housing and Urban Development for a grant in the amount of \$4,000,000 for the implementation of lead-based paint hazard control activities and administration (Ordinance)
(Y-5)

182885

***795** Adopt and authorize submission of a Substantial Amendment to the 2008-2009 Action Plan of the 2005-2010 Consolidated Plan to the U.S. Department of Housing and Urban Development to apply for a Community Development Block Grant-Recovery formula allocation of \$2,726,586 (Ordinance; amend Ordinance No. 181800)
(Y-5)

182886

**Commissioner Dan Saltzman
Position No. 3**

Bureau of Environmental Services

796 Authorize Intergovernmental Agreement with Clean Water Services District to control garlic mustard and knotweed in the Tualatin River Basin up to \$24,000 for 2008/09 and 2009/10 (Ordinance)

**PASSED TO
SECOND READING
JUNE 17, 2009
AT 9:30 AM**

Bureau of Police

***797** Authorize an Intergovernmental Agreement with Multnomah County not to exceed \$124,764 to provide three residential treatment beds for individuals identified by the Service Coordination Team as chronic arrestees with primary addiction issues who have the greatest need for and demonstrate the most potential benefit from an inpatient drug and or alcohol treatment regimen (Ordinance)
(Y-4; Adams absent)

182899

***798** Authorize a \$50,000 grant agreement with Volunteers of America to assist victims and survivors of domestic violence (Ordinance)
(Y-4; Adams absent)

182900

***799** Extend contract with Booth Research Group and increase compensation up to \$110,200 to conduct police promotional assessment centers (Ordinance; amend Contract No. 38070)
Motion to amend contract amendment to correct mathematical error.
Delete last sentence of paragraph 2: Moved by Commissioner Fish and seconded by Commissioner Saltzman. (Y-4; Adams absent)
(Y-4; Adams absent)

**182901
AS AMENDED**

***800** Add the Z-Man Scholarship Foundation to those organization eligible to use the payroll deduction system (Ordinance; amend Code Section 5.08.140)
(Y-5)

182887

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**Commissioner Randy Leonard
Position No. 4**

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| <p>*801 Authorize a grant to Albina Ministerial Alliance on behalf of the Black Citizen's Coalition to provide assistance to displaced victims of Hurricane Katrina (Ordinance) (Y-5)</p> | <p>182888</p> |
| Bureau of Water | |
| <p>*802 Authorize an Intergovernmental Agreement with Portland Public Schools to remediate lead paint hazards in early education facilities and provide for payment (Ordinance) (Y-5)</p> | <p>182889</p> |
| <p>*803 Authorize agreement with Kenneth G. and Nancy E. Biehler to acquire fee ownership of property for construction staging of Powell Butte Reservoir II (Ordinance) (Y-5)</p> | <p>182890</p> |
| Portland Fire & Rescue | |
| <p>*804 Authorize application to Federal Emergency Management Agency for a grant in the amount of \$182,400 for the purchase of thermal imaging cameras (Ordinance) (Y-5)</p> | <p>182891</p> |
| <p>*805 Authorize application to Federal Emergency Management Agency for a grant in the amount of \$720,000 for the purchase of one aerial fire apparatus (Ordinance) (Y-5)</p> | <p>182892</p> |
| REGULAR AGENDA | |
| Mayor Sam Adams | |
| Bureau of Transportation | |
| <p>806 Vacate a portion of SE 133rd Pl north of SE Ramona St subject to certain conditions and reservations (Hearing; Ordinance; VAC-10061)</p> | <p>PASSED TO SECOND READING JUNE 17, 2009 AT 9:30 AM</p> |
| <p>807 Approve fee and rate charges for Bureau of Transportation services, provide for annual adjustments for inflation and fee modifications, set an effective date and establish an annual report to Council (Second Reading Agenda 768) (Y-5)</p> | <p>182894</p> |
| Office of Management and Finance – Financial Services | |

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| <p>*808 Give preliminary and final approval for the issuance of revenue bonds in an aggregate principal amount not to exceed \$15,000,000 for the refinancing of the City of Portland, Multifamily Housing Revenue Bonds, Series 1997–The Village at Lovejoy Fountain Project (Previous Agenda 771)</p> <p>(Y-4; Saltzman recused)</p> | <p>182895</p> |
| <p>Office of Management and Finance – Human Resources</p> | |
| <p>*809 Authorize a Letter of Agreement with the City of Portland Professional Employees Association to amend the parties' 2007-2010 Labor Agreement (Ordinance)</p> <p>(Y-4; Saltzman absent)</p> | <p>182896</p> |
| <p>Office of Management and Finance – Purchases</p> | |
| <p>810 Award a contract to Versaterm, Inc. for replacement of the Computer Aided Dispatch System that supports the Bureau of Emergency Communications not to exceed \$7,000,000 (Purchasing Report – RFP No. 107999)</p> <p>(Y-5)</p> | <p>ACCEPTED PREPARE CONTRACT</p> |
| <p>811 Award a contract to Sirius Computer Solutions, Inc. for hardware, operation systems, software and related services for the Computer-Assisted Dispatch system replacement that supports the Bureau of Emergency Communications for a contractual total not to exceed \$1,041,331 (Purchasing Report – Bid No. 109713)</p> <p>(Y-5)</p> | <p>ACCEPTED PREPARE CONTRACT</p> |
| <p>Commissioner Dan Saltzman Position No. 3</p> <p>Bureau of Environmental Services</p> | |
| <p>*812 Authorize grant agreements and Intergovernmental Agreements with sixteen non-profit and public entities related to the Community Watershed Stewardship Program (Ordinance)</p> <p>(Y-5)</p> | <p>182897</p> |
| <p>Commissioner Randy Leonard Position No. 4</p> | |
| <p>813 Amend City Code requirements regarding district property management license to include certain owner occupied housing (Ordinance; amend Code Chapter 6.06)</p> | <p>PASSED TO SECOND READING JUNE 17, 2009 AT 9:30 AM</p> |
| <p>Bureau of Water</p> | |
| <p>*814 Authorize a contract for Columbia South Shore Wellfield Improvement (Ordinance)</p> <p>(Y-4; Adams absent)</p> | <p>182898</p> |

At 12:39 p.m., Council adjourned.

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LAVONNE GRIFFIN-VALADE
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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WEDNESDAY, 2:00 PM, JUNE 10, 2009

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

June 10, 2009
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.

JUNE 10, 2009 9:30 AM

Adams: June 10th, 2009. This is the morning session of the Portland city council. Karla, would you please call the roll.

[roll call]

Adams: Could you please read the title for communications item 780.

Item 780.

Adams: I don't think lisa lee is here. So we'll move on. Can you please read the council calendar communications item 781.

Item 781.

Adams: Gordy. I'm out of it today, obviously. Good morning. Nice to see you again.

Gordy Militor: Good morning.

Adams: Welcome to the city council. For all of these items, it's simple. You've got three minutes and only need to give us your first and last name and on the big hunk of wood is a countdown clock.

Militor: Cool. I'm gordy molitor, the executive director of green empowerment and requested to speak to the council on behalf of the board, its partners and many supporters to thank the city council for its recognition of our efforts and proclamation recognizing green empowerment accomplishments as an embodiment of sustainability and bringing health and well being through renewable energy and water systems and also with me is susan anderson, who you all know is the planning director for the city and board member of the green empowerment, and from the governor's office, the advisor on sustainability couldn't make it but dean is here. He's the head of the mccargar foundation which funds one of the projects given an award. And john ruders is a professor of environmental studies at Portland state university and instrumental in bringing students and faculty to a number of our projects in nicaragua. And I don't know if dolores was able to -- sponsored a fund-raising dinner for the crew. We're proud to be part of Portland's sustainable focus and is increasing image of the center of sustainable transportation, business and non-government organizations. Portland has a number of businesses that are in the forefront. Green empowerment is committed to combating energy poverty and proud of our contribution to Portland's sustainable image. Portland has an image as a center of international transportation, business and in the community of international non-government organizations. It's a home of mercy corps, medical teams international and Portland's third largest n.g.o., green empowerment. This international image is increasing in depth and both business, community and non-government organizations as you can see here today in the many other small non-government organizations. And by the number of donors and board members involved in green empowerment's international efforts. These people are leaders among many hundreds of other Portlanders with similar international interests. So I would just like to say we've been involved in Portland for 11 years, working with renewable energy and water systems and that we received the international award for three of our projects in nicaragua, in peru and on the thai-burma border. And in conclusion. I've got nine seconds. Thank you for the city a recognition on our focus on sustainability and i'd like to thank dean mccargar, susan and david and many other donors and board members for supporting green empowerment.

Adams: I have a question. How does -- might that help your efforts, Portland being a hub?

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Militor: I see the two being synergistic. I think as Portland becomes more involved in sustainable issues, nationally and internationally, they'll have a higher image. In those areas, and that we can couple with them to help increase their image and expand their market. For example, we'll be partnering with solar world from hillsboro and pinpoint logic, a software company in Portland, and several other companies to do a fund raising project later in the year. And partnered with a business in Washington to do a project in the philippines. It helps their image and helps them to expand their market.

Adams: What's your url? Your website address.

Militor: www.greenempowerment.org.

Adams: Thanks for all you do and happy to have proclaimed a recognition for green empowerment's work around the world based out of here in Portland. Thank you.

Militor: Thank you very much.

Adams: All right. Karla, please read the communications, council item 782.

Item 782.

Adams: Mr. Murphy, didn't I see him? Is he not here?

Moore-Love: Not here.

Adams: All right. Can you please read the title for council calendar communications item 783.

Item 783.

Adams: Good morning, mr. Nolen, welcome. Glad to see you here. I think you know the protocol.

Patrick Nolen: Hi, my name is patrick. I'm here representing soapbox under the bridge, which we can be reached at soapbox under the bridge at gmail.com.

Adams: Good.

Nolen: I had a speech I wrote and it was about three minutes and 30 seconds long and that was too long. And I really didn't -- I thought about it this morning and it wasn't what I wanted to come talk about. I have been coming here talking to you guys about sit-lie since before I worked at the last non-profit I worked at. And I don't know. It just kind of occurred to me this morning, that there's -- i've expended a lot of effort and i'm not sure i've seen much. We haven't gotten anywhere. And I kind of wonder why -- what I should be doing about this. We had a great talk about a resource access center and haven't got that but it's still illegal for people to sit on the sidewalks. We had -- you know, we have all of our large -- large bulk of our service providers in the downtown Portland and yet the people coming to visit those when they're not sitting waiting particularly at that service can't sit on the sidewalk to wait for a service in the downtown core. We have about 1600 people that sleep outside every night and yet make it illegal for people to sleep on the sidewalk. I -- I fully respect -- you know, extending this law to find more voices around it. No, I fully respect finding more voices around this law but I don't see a reason to extended sit-lie law. I don't see a reason to have an anticamping law unless we're honestly searching for an end to homelessness. I recognize the city can't do that by itself and i've offered to come in and help write -- to help, however, I could to find the money for those things. You know, I -- i'm more than willing to write letters to senators and, you know, even the president. Although that puts you on a list somewhere, so i'm not sure about that. Yeah, I -- I don't know, I really -- I feel frustrated and not that I plan on leaving, but I think I just need to change the way i'm doing things and maybe look for other options. Anyway, thank you.

Adams: Thank you, mr. Nolen, appreciate it. Karla, could you please read the title for council communication item 784.

Item 784.

Adams: Mr. Tillman. All right. That gets us to time certain, can you please read the title for 9:30 time certain council calendar item 785.

*****: [inaudible]

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Adams: Thank you. I'm glad someone is paying attention here. I'm not. Any items that anyone would like to pull from the consent agenda? I understand that 797, 798, 799, commissioner Saltzman wishes to pull, is that correct? Or somebody does. Any other items on the consent agenda that anyone wishes to pull? Hearing none, Karla, can you please call the roll for the consent agenda.

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

Adams: Aye. [gavel pounded] consent agenda approved. Now, would you please read the time certain item 785.

Item 785.

Adams: Commissioner Fish.

Fish: Thank you, mayor. We're celebrating reuse week this week and we have a brief presentation on this important subject and while i'm introducing it, I wonder if our good friend and colleague, jeff cogan, could come to the podium and i'll see it up and jeff is going to start and we're going to hear from six trusted partners that are engaged in the work of reuse. Good morning, it's a pleasure to join with my colleagues to kick off the inaugural reuse week, 2009. Before we begin, I would like to thank commissioner jeff cogan and his chief of staff, melissa, to christy wood from community warehouse and has been a great resource. To the reuse planning committee and carmen rubio on my team for all the hard work. I had the pleasure of touring the warehouse, this amazing organization is one of the pioneers of the reuse movement and reuse not only promotes sustainable communities and gives items a second life but provides much needed goods and materials to deserving families and teachers and artists and other community members. When we were doing our tour, naturally at the end we asked the question, beyond some of the financial support that the city provides, what role can the city play to help enhance this growing cluster of important nonprofit reuse organizations? Christy said we could raise awareness about how important reuse is to the entire community. Encourage donations of goods and materials and probably cash too. Instead of selling them or throwing them out and we could recognize some of the great organizations leading the way. Well, we thought about it and called christy back and said, we can do that. And today, my colleague and friend jeff cogan and the mayor and I are pleased to launch reuse week which begins today and extends to june 18th. We're doing this by highlighting remarkable local organizations that fulfill the promise of a thriving and sustainable community through the reuse of household goods, art and computers and much more and by our action, we hope to encourage the people of Portland and Multnomah county and the city of Portland to make reuse part of their routine. Reusing items conserves resources and diverts a wide variety of material from our waste stream but it's an invaluable tool in helping our most vulnerable citizens start a new life or enhance their lives. Commissioner cogan and I are encouraging city and county employees and friends and neighbors to support this cause and beginning today my office and jeff's will be accepting items from city and county employees through thursday, june 18th and I brought with me today two items to kick it off. One is I guess a miniature crock pot and the other is a towel we purchased from the southwest community center and we'll be donating both of these. Jeff and I will be at the community headquarters on friday with other materials we'll be donating and we invite everything in the community to join us on friday. And we'll have more information about that soon. Before we hear from our reuse organization partners I would like to invite my friend jeff cogan for any remarks he would like to make.

Jeff Cogan, Multnomah County Commissioner: Thank you, commissioner Fish, mayor Adams, i'm jeff cogan from Multnomah county and i'm here to support reuse week. A couple weeks back when commissioner Fish approached me, I new it was a good idea because this actual cluster of businesses that's developed in Portland under the radar screen but significantly really in many ways embodies the best of what this community is all about. The notion of reuse is, of course, one the core components of sustainability. Reduce, reuse, recycle, and shown us there are many ways to

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reuse items. And that's been a terrific advantage for us in terms of our pursuit of sustainability. It's equally significant that the items are then often given to people in need and at this particular time in our community and country, we need to be as creative as possible in meeting the needs of vulnerable people in our community and places that take goods that otherwise would be wasted and instead, give them to people who otherwise wouldn't have access is terrific. And Friday, when we're at community warehouse, things like mattresses, within a week or two, they might be able to give them to people who might have been homeless and make a difference. And the other things that this does is that they're creating family wage jobs in this community. Family wage jobs that are not going to be exported to another country and that are being created in a way that completely consistent with the values that we hold dear in this community. So this is a partnership I'm proud to be part of. We have a friendly competition going between the city and county but it's a competition of regardless who wins, the whole community wins. Thank you for the idea and we're happy to be partnering with you.

Fish: Thank you, Jeff, very much. I'd like to ask the following organizations and their representatives to come forward. I'm going to ask each of you to identify yourselves. Community warehouse, scrap, harsh at that time, restore, free geek, the rebuilding center and schoolhouse supplies. Come on up. And before we kick this off. I'll quickly read the proclamation into the record and the mayor will present you with one at the end of the presentation. Whereas, the city of Portland and Multnomah county encourage and support programs and initiatives that serve members of our community by incorporating principles of sustainability and environmental responsibility, and where reuse conserves scarce and precious natural resources and diverts a wide variety of materials from the waste stream and helps our most vulnerable residents improve their lives and was named America's least wasteful city in a national study and whereas, community warehouse, free geek, the rebuilding center, scrap, schoolhouse supplies and habitat restore all share the common values of reuse, sustainability and building community and whereas, they annually divert tens of thousands of pounds of waste from the landfills and provided supplies to the local schools in since 1999 and with the Portland city council and Multnomah county board of commissioners will work to promote the value of reuse in our community, now, therefore, this is where I get to stand in for the mayor. I Sam Adams, the mayor of the city of Portland, Oregon, the city of roses, do hereby proclaim June 10th through June 19th, 2009 as Reuse Week in the city of Portland.

Roz Babiner: I'd like to thank you, Commissioner Fish and Commissioner Cogan for your help and support staff. Carmen Rubio and others helped us put this together. I'm Roz, one of the founders of the community warehouse. We ask for donations of essential turn and household items and work -- furniture and work with county agencies and many of the agencies that the city of Portland works with to help with the 10-year plan to end homelessness and we put a bed into the apartment of people who are sleeping on the floor. We give families a kitchen table so they can sit down and eat together and give them the pots and pans so they can fix a meal and help them to feel like they they're in a home and somebody cares about them and it helps them to move forward in their lives. We really appreciate this Reuse Week because it draws attention from all the employees of the city and county, to the fact we exist and we need your donations. For example, I was at OHSU and talked with people and I would say one in 15 even had heard of community warehouse and I did speak to a number of people who actually use us from OHSU but people don't know we exist and when we found out we are just asking for extra silverware and their alarm clock and we give these things to families in need, it makes a lot of sense to them and the fact that we have a truck that will pick up, what we really want people to know is these things, especially twin beds. You know, every twin bed that comes into the warehouse, it's gone in a few days. It doesn't take us long for it to leave the warehouse or a pot or pan. We have case managers coming in, 60 households a week. They don't have things. They're not coming in asking us for a matching set of silverware. Just coming in to get the things that are very basic to help them move forward in their lives and this Reuse Week draws

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attention to the fact there is a place for all of these that people don't need in their homes. So we really appreciate the -- this proclamation and we know that we're going to have lots of people coming in to our warehouse in the coming week. And it also does for us is draws attention to us so that maybe six months down the road when somebody from the city of Portland buys a new kitchen table, their old one will come into the warehouse. Thank you very much.

Fish: Thank you very much. Sir?

John Connell: Joe connell from the habitat for humanity restore. Of where I go, people know about habitat for humanity. We're world wide, a wonderful amazing organization that I know all of you are aware of the work we do in the city. But like the other ok. Organizations, awareness is a key factor for us. I think one in 15 is pretty good. I think they're more popular than we are. Well known. The restore has been in the community for eight years. We do it for three reasons. One is for reuse, and we take building materials, appliances, all of that kind of stuff, resell it in our store, just like everybody here does as a profit, as a revenue stream for habitat for humanity. That's where we're a little different. We use very few staff. An amazing amount of volunteers and always need more. And we do this as a fundraiser for habitat. We're averaging about \$100,000 a year that we're raising through this program to build homes in this community for families in need. That's a wonderful two-fold mission there. The other purpose we're active is to supply families, lower-income families with low-cost items and that's something we share here. And the other thing I wanted to thank you for is supporting our grant from the d.e.q. We received this week, I just got word yesterday, all of the paperwork is done. \$50,000 grant from d.e.q. that you all supported and signed off last movement thank you for that. That money is dedicated toward reaching out to businesses about the waste of materials from retailers, distributors and manufacturers. Brand new product. A lot of these organizations here, we've all done wonderful work with the reuse of old products. We want to start targeting new products still in the package. The waste stream is full of that. Keep us in mind. At www.pdzrestore.org.

Adams: Thank you. I'd urge you to go to mayorsam.com and the action plan that speaks to that and appreciate you getting behind that element of the plan.

Connell: Will do. Thank you.

Tom Patzkowski: My name is tom, with the rebuilding center. We're located at 3625 north mississippi. www.rebuildingcenter.org. How many of you have been or heard of the rebuilding center before? Quite a few of you. Hopefully more will be coming in the future. We reuse and find homes for about eight tons of material a day. One of the largest of its type in north america. Open seven days a week to the public and keep our prices between 10 and 15-cents on the retail dollar to keep it affordable for everyone in the community and fill about three to five flatbeds a day. We have a free pickup service to pick up materials and we accept things based on their reusability, not just on their retail value. It's where we can find a home for it. And that's how we have such a wide variety of materials coming through and there's a history to those materials. It's neat to see that piece of trim that's been marked as the child grows. It's the thinking of those things that people have used for years and cabinets that people have kept clean and shouldn't be thrown away. Kept going. And then also we have a deconstruction crews that dismantle houses by hand and we can reuse up to 85% of the material and we can recycle much of the remaining material and it's a sustainable way of taking apart structures and create hand-crafted materials from these reusable materials, everything from tables and furniture to other household items and celebrated our 11th anniversary and thank you for the support of the commissioners and as well as the mayor and entire city and we want to keep going with that. I'd like to invite you to a tour. Can I give you guys cards?

Adams: You can give them to Karla over there. She'll distribute them later.

*******:** Thank you very much.

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Bo Bullock: Hi, i'm with schoolhouse supplies and we operate a free store with volunteers. For teachers. We collect brand new and gently used school supplies, art supplies and office supplies but believe that all children deserve basic tools to succeed in school and do what we can to make sure they have them. Our primary way of bringing in school supplies are through our supply drives. You may have seen our collection barrels at different businesses around town. So that's my plug. We have our kgw school supply drive coming up w in august. Trying to bring in new school flies for the beginning of the year. So -- school supplies. Any business can do it. But other ways we bring in donations are through office reuse. So if you have a ton of staplers or post-it notes and in good condition, you can give them new life in classrooms. Lots of materials that you wouldn't be able to find in a regular retail store, our teachers are very creative and sometimes that's the very thing they're looking for is that random material for a certain project. So we also run a tools for schools program where we have different businesses in the community can sponsor schools and provide every kid with a backpack full of supplies so that nobody is left out and they have everything they need for the first day of school.

Dave Haskins: I'm dave representing free geek. It's Portland's community technology center. We take used technology and with the help of 900 active volunteers provide really great computers free of charge to folks and free education and job training skills in exchange for community service. Anything we can't use, we make sure gets recycled in the highest green standards possible. Last year, we recycled over 590-tons of e-waste but think of ourselves as a reuse organization. There are lots of computers out there that are in great shape. We gave away 1200 computers free of charge and so far in 2009, we've given away -- not even six months into 2009 and we've given away over 900 computers free of charge and a large part of this is really thanks to you, the city last november, partnered with free geek so we could provide the city's computers to those who need it the most and i'm happy to be here to be able to talk because I think a lot of people, like some other people mentioned, haven't heard about free geek. I don't think not for profits that are starts in Portland should be paying for computers. We have computers and we have them for free. We want you to use your money not in i.t., we want you to use it for programs and staff and furthering your mission. If you need technology and you're a not for profit, go to our website, freegeek.org and we'll get back to you. And we operate a thrift store. On s.e. 10th often can get a cable for 25-cents and also computers and monitors and little gadgets. Just want to thank you for having us.

Kelly Carmichael-Casey: Thank you, commissioner Fish and commissioner cogan as mayor Adams. I'm the executive director of scrap. Thank you for your leadership in proclaiming reuse week. Scrap is leading the way in the creative reuse movement. Only in Portland gathering still useable art supplies and selling them on the cheap has emerged. Scrap inspires sustainable behavior by offering educational programs and affordable materials to the community. We take them from people cleaning out their craft closets to corporations who have unused materials and supplies, manufacturers with castoffs. Architectural design samples and printer overruns and other sources of useable and creative craft supplies and we're proud we divert 65,000-pounds from the landfill and educate about the bests of creative radio reuse every year. We're confident with raising awareness through reuse week we can transform the way our community thinks about consumption and waste. Please come visit us. Commissioner Fritz was kind enough to help us launch our new location at m.l.k. And stanton and more information is available at scrapaction.org.

Fish: The last time I was at scrap, picking things up for my kids I was shocked to see a randy Leonard sign. It seems we recycle everything in our community: [laughter] we're going to come and take a picture with each of you. Each of you tell us your address and website.

*****: Community warehouse, communitywarehouse.org. 2267 north interstate. Right at the intersection of albina and interstate where the max train stops.

*****: Habitat restore, 66 southeast morrison. Right under the morrison bridge. We're under the bridge. Our website is www.pdxrestore.org.

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*****: Rebuilding center. www.rebuildingcenter.org. 3625 north mississippi, Portland, 97227. The corner of freedom and mississippi in north Portland.

*****: Schoolhouse supplies is below the gymnasium of madison high school. 2735 northeast 82nd avenue. www.schoolhousesupplies.org.

*****: Free geek is located at 1731 s.e. 10th. We're just a couple of blocks south of hawthorne between market and mill. freegeek.org.

*****: And scrap is at 2915 northeast m.l.k. Corner of m.l.k. And stanton and scrapaction.org.

Fish: We have a proclamation for each of you and if you will join us up front, we'll get a picture of you. Jeff, would you join us?

Adams: That brings us to the 10:00 time certain and the companion -- we have a purchasing report and a companion ordinance. So Karla, would you mind reading the time certain council calendar item 786 and also 787.

Items 786 and 787.

Adams: Well, after lobbying for only two years, but seems like 12, pleased to have this -- this purchasing report and this ordinance in front of the city council for their consideration. Because it signals that we are moving forward with the east side streetcar and joining both sides of the river, getting very close to joining both sides of the river with a streetcar loop. U.S. Secretary of transportation ray lahood, had an opportunity to meet with them and a few other mayors three months ago hinted there might be a positive announcement. Indeed there was on april 30th, coming from the small starts fund. This is the first streetcar project being funded out of the signal starts fund and that's significant and ironic, because the signal starts fund was created by congressman earl blumenauer with the possibility of bus transit being funded but also streetcar. The fact that this is the two years later the only streetcar, but hopefully not the last being funded out of small starts is significant. There's a lot of people to thank. Stacy witbeck and richard brennan and the metro team and tri-met, and the folks sitting in front of you, the great transportation team headed up by sue kiel and also in my office, shoshanna and the folks that made it happen in d.c., representatives earl blumenauer, peter defazio. Senator merkley deserves special consideration because as speaker, he made it possible to get \$20 million from lottery-backed bonds that will buy the six cars needed to service this new route. That's important because it follows on a partnership with peter defazio to not just build a new leg of the streetcar but to build a new streetcar manufacturer locally. Last week, Oregon ironworks, which is our partner, received tentative word from the city of tucson that they'd been selected to manufacturing theirs as well as our six. Getting off the ground and that's great news for all of us. The council consideration of these items means that 90 new jobs at Oregon ironworks will be created and the potential for 100 new jobs in this phase of the streetcar work. You're going to hear the details but I want to be upfront that the federal delay in approving our requests for funds, does put a strain on this budget, and the cost of delay was \$500,000 a month. We've immediately -- ameliorated that to the degree we kept planning, going, and so council and I appreciate their support. Joined with me in sort of taking a calculated risk and continuing the planning so if we did get approved, we wouldn't be that much further behind but the delay put a strain on the budget and we have to be careful moving forward and making sure that all of our efforts at value engineering are really, really thorough. With that, vickie.

Vicky Diede, Bureau of Transportation: Actually, jeff first.

Adams: Sorry, jeff.

Jeff Baer, Director, Bureau of Purchases: For the record, i'm jeff baer purchasing. Where we started back in october 2008, the council approved an exemption to the traditional low bid process and we, therefore, went forward with a competitive request for proposal process using the alternative contracting method of selecting a construction manager and we evaluated the responses and here requesting an approval to execute the contract with stacy and witbeck. This is a multi-phase contract. And just highlights in terms of the subcontract plan, we're still working with them

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to develop -- to finalize that but they've indicated as subcontract opportunities 12.8% of the d.b.e. Program which is required because of the funding related to the federal funding stream related to that. And i'll stop here and turn it over to vickie. Disadvantaged business enterprise.

Adams: And it's a specific required approach to small business and emerging --

Fritz: What's the percentage required?

Diede: We operate under the umbrella of tri-met's b.v.e. Program and they're not able to assert aspirational goals because I believe of a federal court case but that doesn't stop everybody from putting pressure on people to make sure we have as much participation as possible.

Fritz: You have in the report that there's an agreed upon subcontracting goals? What are they.

Diede: A 12.8% participation for d.b.e. And for the emerging small business.

Fritz: We can't do better than that?

Diede: This is a small contract. I'll go through the different phases of the contract and you can see the big one comes up in september and both tri-met and the city will be working with stacy to make sure we have good participation.

Adams: Our general aspirational goals on all of the federal stimulus work is 35 percent. This is just a piece of it and it's an area that frankly, we've struggled with. Because of the availability of certified contracting firms who qualified to bid on this contract.

Diede: Let me back up a minute. For the record, i'm vickie with the bureau of transportation and the city's project manager for Portland streetcar. What i'd like to do today is first of all, update you on the where we are with the federal transit administration. You may recall that tri-met will be the grant recipient for the small start funds and the city, through an international government agreement will be named the recipient and the funds will be dispersed through us -- to us through tri-met. The f.t.a. immediately contacted tri-met and asked that the project construction grant agreement application be submitted to them by may 13th which was just a couple of weeks after that time and lots of work. But working with tri-met, who has been absolutely fabulous to us and extremely helpful, the application was sent to them on that date. We're now having weekly conference calls with the federal transportation staff from seattle and the staff from the district of columbia. To review information and provide any needed clarifications or new information that they've suddenly discovered they need. But the roadmap that the they've laid out shows we'll have an approval letter for the construction grant agreement in mid september. And now that they are paying really constructive attention to the project, our approach is to do everything possible to make sure that we --

Adams: Aren't you politically correct. What was the phase.

Diede: Now that they're paying constructive attention to the project.

Adams: Well said.

Diede: We're doing everything possible to make sure we're not seen as any sort of impediment to meeting the goals of that roadmap. So i'll turn it now to the ordinance. There are several things i'd like to highlight. One is the 75% capital budget and finance plan. Two is the phasing of the construction contracts. And three is kind of a preview of the upcoming actions that will be needed to keep the project moving. We have completed the 75% design effort. And have developed both soft costs and construction costs for the project. Stacy witbeck provided input on the construction costs on the preconstruction contract they're working under now. To deal with long lead items, we're bidding and warding the work in four phases. The first phase is the water main works that before you now. With a contractual cost is based on the full competitive bidding that stacy and witbeck undertook. This will get water lines in direct conflict and other issues taken care of before we try and lay tracks in the street. The next phases will be the advanced sewer and sanitary main work and the rail procurement packages which will be back to council in probably four to six weeks. The big -- those two total about \$13 million or \$14 million. The big track and electrical work contract, the main construction contract will be back to council in september. And the cost

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estimates for these are based on budgets provided to Stacy Witbeck by one or more contractors along with input from the design team. That will be the next step in putting the contract packages together. The of course plan has been reviewed to validate the \$2 million we're carrying in the budget for finance cost is sufficient and they've indicated it is. So -- there are two other future council actions related to the construction of the loop project. Which are amendments to the contract for project management and design services during the construction phase and amendment to an i.g.a. We have with Multnomah county where we deal with the bridge issues. They own the bridges we go under or cross. All of those will be coming to council shortly. The really long lead item in this whole project is the procurement of the vehicles. And as the mayor mentioned, or Jeff, I'm not sure, but through a r.f.q., rx process, Oregon Ironworks was selected as the manufacturer. The contract language is being reviewed by purchases and we'll bring the contract to council for approval. And then last but certainly not least, there's a need for three intergovernmental agreement that we need to enter-into that will provide the funding to pay for the loop project and we would like to accelerate the access to these funds and ask council to authorize the mayor and auditor to accept the funds and enter into two of these i.g.a.'s. The first will be with the state of Oregon for the dispersal of the lottery-backed bond proceeds and word from the state is that that contract is -- the i.g.a. is ready for signatures in Salem and as soon as it's done, they'll ship it up to us. And the second big one is an i.g.a. Is Tri-Met for the dispersal of the federal small starts fund and we'd like council direction for the director of Bureau of Transportation to enter into an i.g.a. With our funding partners at the Portland Development Commission. The i.g.a.'s that will allow us access to the funds, we would like to have pre-authorization to allow the mayor and auditor to sign those when they're presented to us and agreeable to the city attorney's office. But any of the i.g.a.'s and contracts that will result from funds flowing from the city to another organization, all of those contracts will come back to the city for your improvement. I know it's a lot of information that got shoved into one ordinance and I'm more than happy to answer any councilor's question.

Adams: Jeff, did you want to add anything?

Baer: One item. I think our construction budget is \$105 million. The funds are not immediately available to us so we want council to understand in order to proceed we're setting up a financing tool to allow us to move forward at this time, rather than wait until the funds are available. We've done a cash flow analysis and we believe we need somewhere in the range of \$20 million line of credit or borrowing -- internal borrowing from within the city. So we're in the process right now of setting that up. So we wanted you to be aware that that's our -- a requirement in order to move forward with the sort of advanced pace we're doing.

Saltzman: That's a line of credit backed by the general fund?

Baer: At this point, we're first pursuing an interbureau loan program. To see if it's possible to do it. Just internal to the city. If that's not possible, then we would move toward a line of credit and that would require a backing by the general fund.

Saltzman: What bureau would you be looking --

*****: I believe discussions with the water bureau.

*****: Environmental.

*****: Sorry, environmental services. One of those guys. [laughter] so we've had discussions with Eric Johanson and Ken Rust from the office of management and finance and we're just continuing to work on this issue. It's going to take a couple of weeks.

Saltzman: And how much again?

*****: About a \$20 million line of credit and we would draw from it as needed.

Saltzman: I have some other questions about the budget. Are we in the right place to do that?

Adams: Sure.

Saltzman: I see a line item for about \$574,000 for community relations.

Diede: Yes.

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Saltzman: You know, we've talked a lot and -- in our budget about the opportunity for using our own staff and the office of neighborhood involvement and our neighborhood coalitions to help do community relations work. Can some of this money be used to use those people?

Diede: With this -- what this anticipates is that there's -- a contract with Portland streetcar," there's a community relations manager working on the project with us from day one from the planning. So they have developed the relationships with various property owners and business owners and it's a very specific kind of relationship where -- in this case, it's a woman, so she puts together schedules on our websites, looking out three weeks. So it's very different than just basic community relations to make sure that everyone's fully aware of what's going on on the project.

Adams: Construction mitigation and advertising on behalf of businesses that are impacted --
*****: [inaudible] and taking them out to people.

Saltzman: And \$574,000 for what period of time?

Diede: About two and a half years.

Saltzman: Seems like a pretty good contract. Has that been -- has this been subject to competition?

Diede: It's through the Portland streetcar inc. \$574,000 is not just for the construction period. That's the -- the time frame. This budget goes back to our preliminary engineering efforts. So truly, it's been an effort since about July of 2007. So by the time we're done, it will be about five years.

Saltzman: It seems like we've had this issue before around Portland streetcar that -- that we give them money and they can use our money not following sort of city procurement procedures. That's what -- this is an example of that, I'm assuming.

Diede: No, we went through a procurement process. When this became a federal process, we went through a process that was approved by the feds and it was competitive. To choose the people that would be doing project management work through this -- these various phases and also the civil and design work. Through that process, Shiels Oblatz Johnson was chosen, we would assign those contracts so we could receive their oversight the -- p.s.i. Didn't make money off this and the selection --

Saltzman: I'm not saying they're making money, but more or less, given the ability to make decisions on subcontracts that aren't necessarily competitive.

Diede: But, no, it was a competitive process to choose them.

Saltzman: The community relations or civil and --

Diede: The project management, it's an umbrella, for contract and utility coordination and community relations and that was all a part of the r.f.p. That came to us.

Adams: To make clear, the project did a request for proposals in which p.s.i. Was a respondent but also gave an open field to anyone else to respond?

Diede: Not quite. The r.f.p.'s were to specific firms. Project management firms and design firms. And Shiels Oblatz Johnson responded and u.r.s. To the civil design. And the city through the -- because of our long-lasting good relationship, we assigned those contracts to p.s.i. But they were required to accept our competitive process and they were -- and they took on all the responsibility for meeting the federal requirements.

Saltzman: Do you agree with that, Jeff?

Baer: I've not looked at those documents so I don't know.

Saltzman: I guess I'd like more information on that.

Diede: We'd be happy to provide it.

Adams: Commissioner Fish and then commissioner --

Fish: Can you remind me on the \$17.5 million that comes out of the river district tiff is, that the current river district budget or contemplate that the amendment is successful.

Diede: It's current budget.

Fish: That's budgeted regardless of the outcome of the appeal?

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*****: Yes.

*****: We've checked with p.d.c. To confirm those funds were available -- confirm that they were available.

Fish: They were also budgeted in current budget, not the amended budget?

*****: It's in the five-year plan.

Adams: Commissioner Fritz.

Fritz: So to follow-up on commissioner Saltzman's point and thank you for raising that. The contract before us today is water main under the street, does the community relations contract come back to us at some point?

Diede: The amendments to the agreements with Portland streetcar" will be in the next four weeks or so.

Fritz: Including that line item?

Diede: Yes.

Fritz: And in the interim we have reorganized our budget and looking at funding community relations differently. And particularly through some of the community partners that have not had ongoing funding that previously did.

*****: Uh-huh.

Fritz: So if you could look at --

Diede: Absolutely.

Fritz: And I agree that \$574,000 seems like a lot. So get more information on how that's broken down, would be helpful.

Diede: Certainly.

Adams: Other council questions or comments. If we can have michael powell and dick davis come forward. Good morning, and welcome to city council.

*****: Thank you.

Adams: Glad you're here.

*****: Nice to be here.

Adams: Mr. Powell, would you like to begin? Chair of the p.s.i. board.

Michael Powell: Thank you. Michael powell, chair of the p.s.i. board. [inaudible] it's a pleasure to be here to move this project forward with your support. This is obviously a major day for the streetcar and for Portland to be able to begin the work necessary to double the size of the streetcar and increase what the rest of the country looks at with a certain amount of awe and respect as an iconic landmark for Portland. July 20th, we celebrate our eighth anniversary of successful streetcar operation. 3.8 million riders. I'd like to get that to 4 million, but i'm not sure I can ride it that many times. [laughter] we've experienced about \$4 billion worth of development in the three-block corridor either side of the streetcar over that time. That's double the density of the rest of the central city development so we've achieved a lot of city goals and supported those goals and in the construction and development that surrounded the streetcar and the streetcar itself. This project, which includes \$75 million of federal funding in the first of the small starts program grants will lead to some 1400 construction jobs and is a result of a lot of hard work by a lot of people. Certainly congressman blumenauer and defazio. And in addition, the community has spent a lot of time on this, this is we've had a steering committee on the east side that met for seven years. That's about 80 meetings. The members have been very loyal to the process and I want to thank that group. Property owners have signed up for a \$15 million l.i.d. This is not in large part an area rich in l.i.d. Potential. Certainly south of 84, but nonetheless, people are making a contribution and a significant one. The community leaders, i'd like to thank for their long service on this. I can't single them out by name, but I think job had an easier task to push a rock up a hill. And this is like pushing water up a hill without benefit of a bucket. The mayor's office, the p.s.i. Board and professional work of s.o.g., all contributed. We had a formidable obstacle in gaining federal

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approval. Sometimes I say all we had to do is elect a man of color with a middle east middle name to get the country turned around and recognize the value of track transportation and all to get a streetcar built in Portland, but it did seem to work out ok in the end. It's a successful project. I want to point out, it's a safe project. Never had a single significant injury in the operation of the streetcar in those eight years. It's been successful for Portland and the development of downtown Portland and we hope to see in that corridor, which will link omsi, m.l.k. And grand to the lloyd district, the rose garden and over to downtown on the broadway bridge bringing opportunities for development and transportation and that I think will link them to downtown and us to them and make of us one city. Thank you very much.

Adams: Thank you, very much, mr. Powell, for your service and patience and perseverance on this.

Bill Wright: Good morning, i'm representing the streetcar citizens' advisory committee. And unlike some of others here today, there's a strong citizen input into this. This particular alignment you're voting on today, like the original downtown alignment was initiated and supported by citizens. The downtown alignment came out of five neighborhood associations in the downtown area from lair hill to northwest. In the same way that michael is describing for this particular extension. The c.a.c. has been engaged with citizens around the city in the operation and extension of the streetcar. We've seen almost without exception a strong support for the logical extension of the streetcar into the neighborhoods and this comes with the understanding as described, that there are businesses and property owners and residents are going to have to participate financially in this, but to give you an example of the current discussions about the extension in john's landing and potentially over the sellwood bridge and oswego, condominium owners and residents and business owners, saying this is what we want to do. We're prepared to give up properties and have l.i.d.s because this will help our neighborhoods so I commend you for what you've done. And the transportation have been excellent in supporting the citizens and thank you.

Adams: Thank you, mr. Davis.

Dick Davis: Thank you, i'm dick davis. I serve as p.s.i.'s treasurer and a long-time board member. P.s.i. has worked closely with the city in overseeing the design and construction of the streetcar. We take its financial responsibility very seriously. I just would comment on a couple of things that I think are important in this regard. The board reviews financial reports monthly and I review all bank statements monthly. All of our accounts have been set up within fdic limits, especially in the last six months. We submit an annual certified audit to the city. P.s.i. has overseen over \$100 million in construction since 1998. And I think most importantly, all of our projects have been on time and on budget.

Adams: Thank you, mr. Davis. Thank you all for your testimony. Has anyone signed up?

Moore-Love: No one signed up.

Adams: Anyone who wish to depend on 786 or 787? Karla, please call the roll on 786.

Fish: Well, first, I want to pick a fight with michael powell, but do it reluctantly because he's a man of books. But did you say job and the rock? I thought it was sisyphus. But I defer to you on that.

[laughter]

*****: I'm a little weak on religion. [laughter]

Fish: The -- I want to start by thanking pbot for the briefings i've received on an ongoing basis and sue, thank you for the invaluable service you gave to me and the process culminating what I hope will be the successful selection for a new housing director. Thank you for serving on the screening committee. Mayor, thank you for your leadership on this. I'm reminded we're going to be taking up a climate action plan, joint county and city and one of the key items is that each of us have to reduce our v.m.t.s. from 18 to six miles. Vehicle miles traveled. Is that right? And it's an ambitious goal but then say how on -- goal and how do we accomplish that. Commissioner Fritz, you're frowning.

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Fritz: No, i'm not. [laughter]

Fish: I will defer to my colleagues, if i'm off.

Leonard: Keep going, you're doing great. Making points all morning long. [laughter]

Fish: There you go. The question is how do we get there? We get there by making smart investments in alternative transportation and we want everybody in our community to be able to travel by bike, by pedestrian, safe pedestrian pathway, streetcar and bus and max. And today we're making I think an important investment in building out that multimodal transportation system and this is focused on the east side of the river and it has been thoroughly vetted. And so i'm pleased to support this good work and vote aye.

Saltzman: Well, i'm so pleased a new president has resulted in constructive attention to our project whereas, in the past, it seemed like we were hung up on continual questions about is this really the best mode of transit and thanks to president obama for freeing up a logjam and many our multimodal projects streetcar projects too. And now that we're in a position with Oregon ironworks to really become the place that makes the new streetcars of a new generation of streetcar transportation, which I think is only going to grow, as we see cities like tucson and others following our lead, this is a good opportunity for jobs as well as for the type of land use and planning and neighborhood liveability we're all so proud of that we have here in Portland and it's great to get this to the east side. Not to say we won't continue to have questions about the budget and things, but overall, this is a real solid step forward. Pleased to support it. Aye.

Leonard: Oh, i'm sorry. My mom grew up here and talked about going to school in the '20s and '30s on streetcar so it's interesting when you look at historic pictures of Portland that what we're doing today is reclaiming part of what used to exist here in a very thoughtful methodical way. And with the advent of diesel buses the decision was to do away with the streetcar system and now we're left with redoing what they had thoughtfully created in the early part of the prior century. So I not only applaud this effort, I think it's been a long time coming and will do much to revitalize the area in the inner city area and I look forward to the day we can extend it back out foster and holgate as some residents talked to me about. To the eastern edges of the city so it becomes a much more integrated system than even what it is with this new addition. So I appreciate the work. Aye.

Fritz: The city has been committed to the streetcar project and this ordinance begins to implement it and I respect the decisions that have been made and recognize mayor Adams for his dogged attention to this over the years and I appreciate that very much and the streetcar advisory committee, Portland streetcar inc., the good work by purchasing. We have to recognize that the streetcar is a [inaudible] and that it's going to be different in the east side structural district and we're going to be careful how we use it as a tool in the central east side. It's splendid we have \$75 million comes to help with projects putting Oregonians to work and I appreciate senator merkley's work in the Oregon state legislature and as our representative from the federal government. It does include \$15.5 million in contributions from the nearby property owners which is significant and we appreciate that. It includes \$10 million in contributions from citywide taxpayers and \$17.5 million in tax increment financing from the river district. And that decision was made showing that this project is important. We also need to recognize there are other important projects that need to be funded in the river district. Particularly the resource access center and I know my colleagues are committed to finding the funding for that. And i'm concerned about our aspirational goal of 35% disadvantaged women and minority women. I'm assured that will be better in later contracts and I know mayor Adams has set up a taskforce to oversee the surplus money and how it's used and we get better representation on the taskforce to oversee the stimulus money. We have the african american chamber of commerce and hispanic chamber and other entities in our community who are experts and working on this issue for 20 years and more and I just visited with the african american chamber last night and heard continued evidence that the problems that their qualified contractors have in getting some of these contracts and a request for proposal comes out with four weeks notice

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and you have to patch together many different contracts in order for a smaller business to be able to bid on something as big as this. I'm sure we can do better and I know the folks in purchasing and mayor Adams' office, the opportunity with the stimulus money, it's a challenge we have to do better and make sure that everybody shares in the jobs that are being created by this project and the others with the stimulus money. Because this does provide good jobs for Oregonians and does provide the basic services and also the jobs that are so important in this particular area. So i'm glad to support the project. Aye.

Adams: Well, I just want to highlight my appreciation and thanks for Portland streetcar incorporated. It has been I think not well understood the value added by Portland streetcar incorporated which is volunteer-driven board of directors that I would say is analogous to the chinese classical garden and that runs that and with those efforts, p.s.i. does -- works -- provides a lot of due diligence and creativity and cash. \$15 million. The buy-in that comes with having p.s.i. As one of our partners is cash that otherwise would be -- we wouldn't have the political support for, i'm convinced, so the \$15 million that was really the responsibility that p.s.i. to bring it the table, and they have and i'm grateful for it. Also the oversight. Because they're invested in this project with their own money, they're incredibly vigilant on the oversight of how the money is planned and actions and efforts against plans but the question, it takes a whole village to make sure we get something as complex as this right. So I appreciate the questions and share the passion for the line items to be appropriate. I also share a really deep concern about this project, and that is the impact on the businesses along the route of this big project. We're doubling the size of the trackage for streetcar. And we're doubling the size of the trackage of the trackage along streets where we already have a number of businesses that are hanging on. And not much better. So i'm really worried as we look to the line items in terms of outreach, i'm worried that we invest enough to keep those businesses going during this construction which will happen over the next -- how many months? 24. [inaudible] Two and a half years, so again, I welcome the questions, I think they're great. I also want to make sure we're not being penny wise and a pound foolish, because I want those businesses to thrive. We have a lot of experience keeping businesses going during the transit mall construction. We learned what works and doesn't work. So just keep in mind the full picture of opportunity and challenges with this project. Again, my thanks to my staff. Shoshana and john, greg, paul and sue at the bureau of transportation. Aye. [gavel pounded] all right. Can you please call the vote for 787.

Fish: Aye.

Saltzman: Well, I just wanted to additionally thank mayor sam Adams for his leadership, p.s.i. For outstanding leadership, our transportation staff, but also single out former mayor vera katz, congressman earl blumenauer for their great work.

Fritz: Aye. **Leonard:** Aye.

Adams: Aye. [gavel pounded] approved. That gets us to the regular agenda. Can you please read the title for council calendar item -- what?

Fish: [inaudible]

Adams: Do it at the end. Council calendar item 806.

Item 806.

Dee Walker, Bureau of Transportation: Good morning.

Adams: Good morning, how are you.

Walker: For the record, i'm dee walker. Right-of-way acquisition and i'm here to present a request for a street vacation for a portion of s.e. 133rd place. The petitioner is charley swan. No objection by anyone on this. No department, there's been no objection --

Adams: Any questions from council? All right. This is a regular agenda item. We'll move to council consideration next week. Thank you. Appreciate it. Can you please read the title for second reading. Council calendar item 807.

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Item 807.

Adams: Please call the vote. This is the second reading.

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

Fritz: Just want to recognize that this does include additional charges and we looked them over carefully as part of the budget process and I believed they're warranted and the bureau of transportation is doing a good job with this. Aye.

Adams: Aye. [gavel pounded] thank you, can you read the title for emergency item 808.

Item 808.

Adams: Good morning.

John Warner, Portland Development Commission: Good morning. John Warner from the Portland development commission. Know this item requires four votes for approval on an emergency basis and I believe commissioner Saltzman might have something to say which might affect the number of commissioners currently in the room.

Saltzman: I won't be voting on this. I will recuse myself.

Adams: Go ahead and make the presentation and we'll wait to take the vote until we get commissioner Leonard back.

Warner: This requests council approval of the application from the village of Lovejoy Fountain L.L.C. To issue revenue bonds in an amount not to exceed \$15 million and requests authorization to issue these bonds. The village at Lovejoy Fountain is 198-unit mixed income rental housing located south of Portland State University. Pursuant to p.c.d. Regulatory Agreement, 40% of affordable at 50% of medium income and developed in 1947 and operated successfully since that time. Low operating rate and meeting its debt service obligations and the bonds will be issued for the purpose of refunding the bonds issued at the time of the project's development also in the amount of \$15 million. In refunding is needed to replace credit enhancement provided by Key Bank. Key Bank is winding up its credit enhancement line of business and will not renew the credit enhancement for this project. Under the proposed bond refunding, Key Bank will be replaced by Freddie Mac, which approves the credit support and makes going forward the likelihood of the project receiving lower interest rates which bolsters its operating strength. The bonds are a special operation of the city -- have no city backing. That's my presentation and happy to entertain any questions.

Adams: Questions from council? Commissioner Fritz.

Fritz: Who decide who's get this is [inaudible] p.d.c.?

Warner: Conduit financing is municipal which is under the internal revenue code requires that municipalities like the city of Portland be issuers. There's the state, cities and the Oregon facilities authority. So they have to be issued by a city or municipality. In the case of the Portland code, the Portland development commission reviews them for feasibility --

Fritz: My question is who can apply to have that conduit?

Warner: Anyone -- any entity can apply. Correct.

Fritz: And do we have a lot requests like this?

Warner: It varies from time to time. Currently, the private activity bond market because of the current economic crisis in the country has deteriorated to the point we're not seeing many applications but a more typical environment will have several on an annual basis.

Fritz: Is there a limit on how little or how much?

Warner: Volume cap is allocated on a per capita basis. By the federal treasurer and allocated on a competitive basis by the treasurer's office.

Adams: How much for Portland?

Warner: It's on a first come first basis and because there's a dearth of applications, there's a surplus available. And it can be carried forward to a subsequent year.

Fritz: Can you tell the audience how they can apply for it?

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Warner: It's a complicated structure. The use of low income tax credits and other types of subsidies so I think the best place to start is probably to talk to the Portland development commission and/or local consultants that help people structure affordable housing transactions.

Fritz: But it is available to any developer or --

Warner: Yes, it is. We have it on our website. The a thorough description of the project along with our other financial tools and we're happy to talk to anyone interested in learning more.

Fritz: Thank you.

Adams: Website.

Warner: Wwww.pdc.us.

Saltzman: I will recuse myself from voting as I do have an economic interest in this project.

Adams: Anyone wish to testify on this project? This is an emergency ordinance, so Karla, please call the vote on council calendar 808.

Fish: This matter has been thoroughly vetted by the p.d.c. Board of commissioners and it's a straight forward financing matter and we've looked at it and no concerns. Aye.

Leonard: Aye.

Fritz: Notes that the \$10,000 administration fee and there's no other impact to the city. Aye.

Adams: Aye. [gavel pounded] 808 is approved. Can you please read the title for council calendar 809.

Item 809.

Adams: Good morning.

Julie Detrol, Bureau of Human Resources: Good morning, mayor Adams. Thank you. Good morning, commissioners. My name is julie, a labor coordinator with the bureau of human services and here to ask you to adopt this ordinance which amends the collective bargaining agreement with the city and the labor union regarding holiday pay for part-time employees. There's no financial impact because this is an existing practice and the bureau does recommend adoption. I'd be happy to answer any questions.

Adams: Great presentation. Any discussions? Hearing none -- oh, anyone want to testify on 809? Karla, please call the roll.

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

Fritz: This is consistent with my experience working part time with another entity. Pleased to support it. Aye.

Adams: Aye. [gavel pounded] 809 is approved. Can you please read -- thank you for your work. Please read the purchasing report, which is council calendar 810.

Items 810 and 811.

Adams: Commissioner Fritz.

Fritz: Do you want to --

Adams: Oh, i'm sorry. The companion purchasing report, could you please read the title for council calendar item 811.

Adams: Good morning.

*******:** Good morning.

Adams: Mr. Baer.

Baer: Good morning, i'm jeff baer with the department of purchasing. This is a purchasing agent report requesting approval to execute a contract with versaterm for the computer aided -- for the 9-1-1 center. And we did conduct a competitive request for proposal process and selected versaterm out of ontario, canada. And over the past several months, we've been in negotiations with them to come to an agreed upon contract. The estimate is that the contract will not exceed \$7 million for the c.a.d. System replacement and i'll turn it over to lisa.

Lisa Turley, Director, Bureau of Emergency Communications: Yes, as you know, this is to replace the system purchased in -- lisa turley, director -- 1994 and which is approaching, very

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quickly, its end of life. So we have been working on this project since about 2005 for the various phases and we are really looking forward to having this piece completed and to move on to the actual implementation work so we can go live sometime in 2011.

Baer: I would also add on item 811 which is to award a contract who is a local Portland based supplier, this is the hardware component related to the c.a.d. replacement.

Adams: And the mwsb?

Baer: There is no mwsb participation on either one of them. The Sirius computers, that's all hardware purchase so that's directly purchased through the one supplier.

Adams: Okay. Any other discussion from council? Commissioner Fritz?

Fritz: Thank you for your good work on this. Is there a preferred provider?

Turley: We sought the best solution for our cad situation, and we decided to go with an off the shelf product. We had many vendors present at our oral presentations, and we came down to a list of five very good vendors as our final choices, and they were vetted down to three. We had vendors put their equipment into bow whack -- boac system for about a month. Unanimous selection from the boac folks, the b.p.s., and we chose a canadian firm very high on customer service. They need the needs of our geography and desires as far as working with our citizens.

Fritz: My understanding is that they also are providers to other major west coast cities.

Turley: That's correct. Vancouver, b.c., they recently went live in seattle, and then they're further to our south in sacramento. I'm kind of looking forward, if technology will allow, that they will be our contingency that we could actually use products if we had an earthquake or situation here that we could turn on from seattle or sacramento to help us out.

Fish: I was in salem yesterday. 9-1-1 kept popping up with certain folks. The message the city has been giving to legislators is please no more sweeps. I did hear the legislature now believes it has another. I was told 9-1-1 will not be swept again.

Turley: The governor's office was instrumental at making that stop at this point. Many have been down and talked to our legislators, and I really appreciate it.

Fish: I would say almost everyone I talked to said we have the best legislative team down in salem. They do an amazing job.

Turley: And they saved the day on the 8.1 million at this point in time. It's been very instrumental in saving that money for us.

Fritz: One more comment. Thank you, lisa, for your work on this. This is a significant investment to get help to Portland and all of Multnomah county when they need it the most. I wonder if commissioner Leonard wants to talk about the public safety system. You've been working on this as previous commissioner in charge of that particular project.

Leonard: That's obviously a much larger protect that includes some of the state wide discussions that commissioner Fish alluded to to ultimately come up with -- I guess the bottom line is a statewide, regionwide, integrated system where different agencies could talk to each other on c.a.d. and radios. A state trooper sitting outside a home, were they to call 9-1-1 in the city and ask for help, the officer wouldn't be dispatched or have the ability unless he had a separate radio in his or her vehicle. We're trying to address that upgrade. The police have their own individual sis, as does fire, trying to make improvements to all those. Again, lisa is from the staff leading the way on that and has done a really good job.

Turley: I had lots and lots of help. We had a process manager who has been instrumental. Certainly purchases has played a part. It is not just me and my staff. This is a citywide, public safety wide issue.

Adams: Council member discussion? Anyone wish to testify on 810 or 811? Hearing none -- hearing none, Karla, please call the roll.

Fish: I want to thank commissioner Fritz for her leadership and commissioner Leonard for his great work in the past. Lisa, thank you for your great work. I'm pleased to vote aye.

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

Fritz: The computer aided dispatch system we're using is pretty old. This is \$7 million, a lot of money, but i'm confident we're getting good value for money and it's been properly vetted.

Adams: Aye. 811?

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

Adams: Thank you for your great work, commissioner Fritz and Leonard. Aye. 811 is approved. Please read the council calendar item, emergency ordinance, item 812.

Item 812.

Saltzman: I'm pleased to bring forward the awarding of community watershed stewardship program grants, and i'll turn it over to jennifer devlin.

Jennifer Devlin, Bureau of Environmental Services: I got very intriguing questions from both commissioner Fritz and commissioner fish yesterday.

Fish: Thank you.

Devlin: We have a couple of grantees ready to go right off the bat july 1.

Adams: Discussion from the city council from ms. Devlin. Anyone wishes to testify on 812? Please call the roll.

Fish: Thank you. I'm especially pleased that a grantee -- the grantee's rather, include a community garden project, youth employment program, and a number of other very innovative programs, and i'm also pleased about the partnership between parks and b.d.s.

Saltzman: I want to thank those who served on the committee to help award these grants. There's a lot of good things here, trail maintenance projects, community gardens, a lot of good projects. I'm pleased to vote aye.

Leonard: Aye.

Fritz: I wanted to know about the governmental matches or the matches that were provided in order to get these grants, and it's interesting to see how different jurisdictions are helping in different ways. I guess my most favorite one is the city of gresham is providing \$400 worth of worms. [laughter] look very carefully at every one of these agenda items. Aye.

Adams: I want to underscore my appreciation to mayor shane bemis and the citizens of the city of gresham for their generous partnership of \$400 worth of worms. Aye. Could you please read the title for nonemergency proposed ordinance council calendar item 813.

Item 813.

Leonard: So, mike, do you have a group you want to bring forward? Hopefully ty will be coming. Come on forward. Mayor Adams, members of the council, i'm bringing forward this item which is the business improvement district fee assessment for condominium owners. The current business improvement district includes commercial properties, people who live in apartment buildings, and low-income housing, for example, provided by our great partners at central city concern. Condominium owners are not required to pay into the business improvement district. That is really an innovative cutting-edge approach to keep the downtown core area safe and clean and thus is called clean and safe. It will reduce crime as much as possible. By all accounts, even those who may be here today that do not want to pay into the bid, it has been an exceedingly successful program. I've had many occasions to walk downtown with clean and safe officers. I have been consistently impressed by their professionalism and approach. Crime is down over 30% in the b.i.d. Since 2005, which is a hugely significant statistic. Car prowls, all by themselves, just in 2007 down 20%. 97% of the latest survey respondents rate downtown as safe or very safe. We should not take that for granted. That is not something you necessarily see in urban cores around the country. The cleanliness factor, 78% of the business owners survey rated the district clean or very clean. 14 formerly homeless people are employed full time through a central city concern in these various efforts, including our Portland loo in old town is contracted through safe and services provided by central city concern to keep that looking as good as it does. 21,152 graffiti tags were

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removed, and 4114 calls for service were answered in the bid, by the bid in 07/08. So it's a very successful program. I believe that all those that are living within it should pay to support it, and it's really a matter of equity -- equity for a person who lives in one of central city concern's properties. They should pay, I think. People who live in condominiums should pay as well, I think.

Mike Kuykendall: Thank you. My name is Mike Kuykendall. I'm vice president of the business alliance. Through our contract with Portland downtown services incorporate the, the board of directors of b.i.d., I am the president of the board. To my right is Michelle Martin, our incoming chairman of the board. She'll talk a little about the b.i.d. And the programs that are run there. Sal owns residential residential and affordable housing and will talk about how the bid was formed. The efforts over the last 20 years to have the condominiums pay into the bid fee to support clean and safe. Ed Blackburn is going to talk a little about the homeless to work program that is funded by clean and safe and also about the rental property that he owns in downtown. I'll turn it over to Michelle.

Michelle Martin: As Mike said, Michelle Martin. I am also the downtown property manager for an investment company, Ashford Pacific, the largest owner of class A office space in the central business district. Portland's b.i.d. was formed in 1988 comprised of 13 blocks in the downtown core. Fiscal year 200010 budget will be \$3.8 million. What we provide with that is safety and security, maintenance, the sidewalk ambassador program and the community court program. Those programs comprise 75% of the funds of the bid. In addition to that, we also provide research and marketing. Our accomplishments for the 08/09 season, crime down, as Commissioner Leonard said, 6% in the bid, car prowls down 21% and vandalism down 15%. Crime overall is down over 35% in the bid since 2005. Our funds offer bids for chronic offenders program and also funds for safe benefiting transition projects and the Julia West House. Over 98% of the latest business census and survey respondents rate downtown as very safe. Also, very important, crime by chronic offenders is down 81% because, in part, of these programs. Safe Security has 16 personnel, mostly retired police officers. They do over 280,000 citizen actions last year. The funding covers three police officers. The central precinct assigns three additional bike officers and four mounted patrol officers to work with the clean and safe program. This is a collaborative effort. Our security personnel frees those officers up to make more arrests. Clean and safe maintenance: Over \$25,000 -- 25,000 graffiti tags were removed, 1200 needles removed, and 17,000 bags of garbage removed. We took back 985 shopping carts, 10,000 piles of glass swept up, and 6000 calls for service were answered. We employ 14 formerly homeless people full time in this program and over 70 for the year. 78% of the latest business census and survey respondents rated the bid as clean or very clean as a result of a lot of these programs. The sidewalk ambassadors you'll recognize with their green hats and their vests. They provide way finding and other information to thousands of visitors and residents who are in our city. They distribute thousands of street routes, resource guides that are handed out, and they also act as front line eyes and ears for the clean and safe by observing and reporting criminal activity and livability issues contributing to the livability of our downtown retail core. The community justice program served by a partnership with the circuit court, district attorney, and public defender's office on the west side community court program, the defendants perform community service in the community where they offend over 9000 defendants through the program to date went to 1400 this year. We have a 70% completion rate through that program and drug and alcohol treatment success is rated at 60%. Over \$604,000 in work crew labor to date with minimum wage was 79,000 this year. We had 423 defendants complete -- complete the accountability class taught by downtown retailers. After this class, with the recidivism rate of only 6.2%. The condo inclusion revenue, the range of payments annually is 10 to \$380 per unit for this wonderful service that's provided. The average payments are \$150 per unit per year, and the total amount generated by the condos' I know would be \$154,000. We are very proud of the accomplishments of the - and the inclusion of the condo owner's fund will allow us to accomplish even more. We will add

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3200 hours of additional security and 4200 hours of additional cleaning. The condo owners will be a part of this great effort with representation on the pdsi board. We urge you to include the condo owners. It's the right thing to do.

Adams: Thank you.

Phil Kalberer: My name is phil kalber, president of caliber -- kalber condos. We are happy to pay monies into the downtown b.i.d. because we understand the importance of the b.i.d. Not only for our activities here but actually for the increase in value of properties in Portland because it is clean and safe and we are marketing the area. I also, the last 15 years, have lived 10 years in downtown Portland. Recently I moved not far out of the district but out of the district. I've lived in both apartments and condos. The only time I was not proud to live in downtown Portland was when I was at Portland plaza who refused to give any funds to the program. The program was formed in 1988 when crime was high, the streets were dirty, and the economy was in the tank. Today the economy is in the tank, but we do have clean streets and low crime. Why is that? It's basically because of a stellar public/private partnership which was originally called an e.i.d., economic improvement district, and turned into a b.i.d. The city wanted to do this but didn't have the resources to do so because the economy was in the tank. It has worked very over the years. Security, safety, and some marketing dollars, and those attract dining, adventure. I guess if you get them for free, it's all the better. I've been involved with the business improvement district since its origination. We did not include at that time either the condos or apartments. We took our first run at including both of these -- I can't remember if it was '93 or '95, and we went to council and council approved apartments going into it because the owners understood the value of it, but we were not able to get the condos because of threats of lawsuits, all kinds of different things. The condo owners said, let's get together and work out a voluntarily program. And we worked on that. Some people worked hard on it. We have a member from coin tower over here that worked very hard on it. Originally there were some contributions, and then they trailed off. We saw the hours we were spending just administrating to these three condos, and only three, the ambassador, Portland plaza, and the coin. The hours weapon spending administrating it, not providing security or cleaning, just administration, we were spending more than the dollars taken in. 2002, again it was proven that a voluntarily system just will not work. So where are we have now? We are at a point to say benefits are there to the condo owners. I know. I was one. The benefits are there for the people who live downtown, work downtown, and play downtown. When we last talked about this, I think the commission level was when the l.i.d. Was being put together for the transit mall. The group came together and put together a proposal excluding the condos, but that was only because the time line was so strong and strict that we needed to get the l.i.d. In place before we lost the federal funds and other funds necessary to make the program work. If you remember, commissioner Leonard voted against it on the basis that it wasn't fair to the rest of the people paying the tap. You will probably be threatened with lawsuits and whatever, but it's time, and this commission, I think, has expressed itself as willing to fight some of those battles. It's time to take the next step to make things equitable for everybody. Please take this step.

Adams: Thank you.

Ed Blackburn: My name is ed blackburn, the director of central cioty concern. We are the clean part of the clean and safe program, although I think that also has a safety function as well. The 14 permanent employees that were talked about are employees of central city concern. They make \$10.47 an hour plus health benefits. But there's also about 30 positions that are temp prayer eye six-month positions, training positions. They're making \$8.47 an hour. With the city's help at Oregon access center, we have an employment team that works with them for permanent employment opportunities, and we've placed 357 homeless people into jobs so far this year, even with the current economy. I can't tell you the sense of pride. These are all formerly homeless people, all involved with drug addictions or mental-health issues. They are in treatment or have

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completed treatment. They also secure housing through central city concern. I also walk the streets and watch what they do, and they know i'm often walking around watching and the pride of those taking jobs is what this is all about, that people are experiencing this kind of personal, uplifts transformation and see they can be part of the solution. Almost all of these people were part of the downtown crime problem before they got involved in this clean and safe program. I also want to say that we just don't take money in terms of a contract, which is about \$600,000 a year. We also pay bid fees. We may be the largest residential landowner in downtown, certainly for very low-income units we're the largest. We have 11 buildings with several hundred units. People are helping to pay the fee through their rent. We also have people on subsidies in a lot of those buildings, and they're required to pay up to 30 percent of their rent -- 30% of their rent. I want you to keep in mind that the very low-income people in the downtown help pay the fee. I don't think there are too many people owning condos at the 30% level of the federal poverty level. So I think everybody needs to do their share and also experience the benefit. Thank you.

Adams: Thank you. Commissioner Fritz?

Fritz: Can you tell me who was involved anything ifing out this formula.

Martin: I think mike kykendall can answer that question.

*******:** I can also.

Ty Kovatch, Commissioner Leonard's Office: As a general matter, the formula for the calculation of assessments or any participant in the bid process was established by the city council in code. I believe the last round was 1994. So any assessments assigned to any new participant in the system would be based on that formula, which is generally assessed value for the county assessor, number of elevators in the building, and square footage.

Fritz: Wasn't that set up with thinking condominiums wouldn't be in there?

Leonard: But apartments are. We have phenomena's where recently buildings that have traditionally been rental units and paid reverted to condos, same building, same layout, and now don't pay. So the answer is no.

Fritz: So there wasn't any reevaluation about whether there needs to be a different funding formula?

Kovatch: Functionally the only difference between a condominium unit is that the person owns the place in the condominium whereas a renter is on the for a short period of time. As a practical matter, I don't think that there is -- there would have been a decision-making process that would have led to a different formula to very like, similar uses between apartments and condominiums so I think the answer is no.

Saltzman: By bringing in condo owners, this will raise an additional 154,000?

Martin: Yes.

Saltzman: And the average cost to a condo?

Martin: \$150 per year per unit.

Fish: I have a question for ty kykendall.

Kovatch: You can just call me kykendall.

Fish: Representation rights of condo owners on either the p.b.a. board or the b.i.d. board or any other entity, could you speak to that?

Kovatch: There is currently, notwithstanding that they haven't paid into the b.i.d., one representative on the bid board for condominiums. I've heard the business alliance express that they very open to pushing for additional representation now that the condominiums would be included.

Adams: Any other conversation with this group? All right.

Leonard: Thank you.

Adams: How many do we have signed up?

Moore-Love: 11.

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Adams: I would like to limit the testimony to two minutes since there are so many. Please bring up the first three.

Adams: Good morning. Welcome to the city council. Give us your first and last name no, address, and clock in front of you will help you keep track of how much time you have left.

Skip Frank: My name is skip frank. I'm here on behalf of the university park condominium, located at 1500 southwest park avenue. For those of you that are familiar with the neighborhood, that is the block that is just to the north of the former lincoln high school which is now lincoln hall at Portland state. To begin with, and it may surprise you, commissioner Leonard, I agree with you, at least speaking for myself, that this program is an innovative and cutting-edge approach, and i'm not here to argue that condominium owners shouldn't be paying their fair share. The concern that I do have -- and it is likewise a concern which I think you should share -- is that although we are dealing with an innovative, cutting-edge idea, we are not dealing with an innovative cutting-edge geographical model. What i'd like to speak to is the inequities created especially as they relate to our complex, the present mapping. It's my understanding that the mapping that occurred in this district occurred some 20 years ago, and I hope that's up somewhere so I can engage you folks to look at it. If it isn't, i'll try to verbally describe it.

Fritz: We have it.

Frank: If you look where we are, you'll see we are on the eastern edge of the south park blocks, and the border of the district goes to the westerly edge. That means everything on the other side of that border on the westerly edge, described as southwest 9th, is outside the district. It is our belief that, if we can get everybody to share appropriately in the burdens that are imposed because of the park blocks -- and when I say spreading the burden, I mean all of those that benefit from it's existence, those of us that live there and have our properties enhanced -- I see my time is coming up, but I --

Adams: How is that you respond to the obvious sort of rejoinder and that is that there will always be a line and someone just over the line?

Frank: My response is the line should be changed. That's your job.

Adams: How do we ever fix a line when somebody can say on the other side of the line, i'm just inside the line and someone is just outside the line?

Frank: All right, commissioner Adams or mayor Adams -- i'm sorry -- the problem is that the city has changed since that line was drawn. We now have --

Adams: I know that, but if we were to redraw it and someone would say it should be drawn that much further out, how do we respond to that?

Frank: You would respond to it by saying the city has changed, that we have significantly added commercial elements that are now to the west line, appropriate probably when drawn 20 years ago. I've lived here all my life and would have to agree the line was appropriate 20 years ago. Since then, we have a new safeway store, contributing to the problems we have in that area. We have three convenience stores, bento shops, coffee shops. Not to mention the fact that we have two brand-new condominium projects that enjoy the park blocks as much as we do, the elliott and benson on the other side of that line just barely. The apartment complex across the street from us, which is the south parks square, I believe, they're outside the line but are right on the park blocks. So basically, if this geographical division remains, we in effect are paying some vane thousand dollars -- \$17,000 a year to clean up the neighborhood that they share and enjoy. That just isn't fair. How you address that is something outside my personal expertise, but the whole thing was enacted by ordinance, and you're sitting today considering a new ordinance, and i'm note here to tell you how to do your job or anything like that, but obviously this ordinance that creates the mapping in the first place need as serious look at.

Adams: I appreciate your comments. Thank you. I think you answered the question well.

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Bob Weil: I'm bob wheel. I am a condo owner at 1500 southwest park up at the far end of the business improvement district. I'm here today to enthusiastically support what mr. Frank has said. Excuse me (clearing throat) I would like to point out that, if you walk this area right along the border along the park division where the business district is set off, find the south park, the cumberland, the gene mayor, west park place, and not go much further and find the benson and elliott. Friends and neighbors come east into the park blocks. They enjoy the benefits and privileges of what the business improvement district provides. These are our neighbors and friends, and we urgently suggest that, if you do pass this ordinance, that you amend the district boundaries so that our neighbors and friends will continue to enjoy the benefits and privileges of the business improvement district and will also share in the cost. Thank you.

Jerald Lindgren: I'm gerard lindgren. I also live at 1500 southwest park avenue in downtown Portland in this condominium targeted for a he is. Directly across the treat at 1511 southwest park avenue, some 206 feet or, if you count, seven elm trees away from our building. It's a 13-story apartment building with 191 units. They enjoy the same amenities as we do, but they are not being asked to pay this assessment. Is essentially what mr. Frank and mr. Wheel have said. Their building dwarfs ours. There's the benson, elliott, museum and many others. The argument I want to reinforce is that the boundaries have almost been juried, and they need to be reassessed. A natural boundary would be highway 405 on the west with the willamette on the east. It would be a very natural type of boundary to suggest. The second point, i'm 78 years old, retired, and living on a fixed income. I do not raise champagne glasses every night, myself. And when my wife and I discussed how we were going to economize to fit the additional higher h.o.a. Fee, she suggested that I stop eating breakfast, and I countered that maybe she should skip her breakfast. [laughter] And this issue is not yet resolved. [laughter]

Leonard: Maybe you could each have a smaller breakfast.

Lindgren: Yeah. Now, i've raised this in humor perhaps, but it is a fact and not a funny one that a number of our residents are unemployed at the time right now. It's a hard time, and it's a rather awful time to be raising an additional area for them. And I thank you for your time and consideration.

Adams: Thank you. Thank you all.

Fritz: How much would the additional be for your particular unit? We're told \$17,000.

Weil: As far as I can tell, roughly \$136 based on averages.

Adams: A year or a month?

Weil: Per year over \$11 a month. That would be about the cost of a breakfast each day, if you will.

Adams: Thanks. Good morning. Welcome to the city council. We're glad you're here only give us your first and last name, and you'll have two minutes.

David Berge: I'm david berge. I guess i'll scrap my three minutes and just address a couple of issues. One, I think the point that has just been raised about the boundary of the b.i.d. really to me points out the fact that, when the bid was first created, it was to incorporate those areas of town which are primarily commercial. And I think the challenge I have with the way the amendment is written is that -- and I quote -- the quote is that the use of downtown property or owner-occupied dwelling purposes contribute to the downtown need for supplemental services load. And frankly I would argue that actually the existence of condominium units with owner-occupied presence actually diminishes this. Not only is the fact that you have people who actually live here, who are here in the evenings, who actually frequent the businesses that are to be improved, we're not the ones that are creating the problems. I think where we have essentially gone off track is that originally it was designed -- it didn't include the apartments. Yes, I understand the apartments were brought in, the low-income ones that have a decreased amount that they're requested to put in. So -- but I think the real issue is, if I don't -- i'm not opposed to paying my share. I think the formula that

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is created for this doesn't take into consideration the benefit that's condominiums provide. Acknowledge area like the pearl where they have more condominium properties, they don't have the same issues the downtown area has. The downtown area would be more vibrant if it had more condominiums, not less. This seems to be suggesting that the condominiums and the owner-occupied dwellings is the problem. The other issue is that this is really an economic hardship at this time. A lot of condominiums are looking at thousands of dollars of losses due to foreclosures, and I realize my time's up, so i'll stop at this point.

Adams: Thank you for your testimony.

Mike Saba: Good morning. My name is mike saba. I'm president of the Portland condominium association for many years. I haven't testified since five years ago, so i'm a little rusty. We are not against the business improvement district, but it is a business improvement district. Prior councils, when this was created, recognizes that condominiums were a different animal even from apartment buildings who are owned by investors. I do also want to point out that many of the low-income projects in the city, especially downtown and especially those owned by nonprofit corporations, enjoy a full property tax exemption. As you remember, I administered those. I would point out that the residents of Portland plaza contribute over \$5000 a year. My property taxes are \$3800 per year based the assessed value of my unit. We also assess ourselves \$637 a month of nontax-deductible money to pay for the service that's supplement what we feel are not supplied by the city, mainly block maintenance and security. If we were to cut down our assessment, we'd probably have to fire one or more shifts of security guards. That would not help the unemployment situation. I guess on the issue of equity, it's -- it cuts several ways. I think you've heard of those issues and received written communication from many of my neighbors who could not appear today since we just heard about this ordinance last week. The first time we heard about it was in september of last year where the very organization that would financially benefit presented the information to us, and they were polite enough to send you have the ordinance. In trying to explain to my neighbors what that ordinance meant was very difficult to do. I guess i'll leave it right there. If you have any questions, feel free.

Adams: Good morning.

Florence Reinerman: I'm florence reinerman. I'm one of the those imported from elsewhere people. I love this town. I'm an east girl. I live at the Portland plaza. I also do not sit up on the 26th floor and drink champagne. My husband is a retired mid-line college professor. I am a retired midline administrator. We are not rich. As to this being \$150 average, i'm going to count with my training. In the plaza, it's \$215 to \$250 a year increase in our already large homeowner fees. Our homeowner fees include 24/7 security. They include cameras on the outside of our building. They include painting the outside of our building, degraffitiing our building. They include the repair of the sidewalks which somehow we own and don't own. They include keeping the shrubbery by your clean and safe group requesting trimming. We wouldn't be a place where campers would want to spend the night. We spend. 20-25% in a year, and I went back and looked at our budget this morning, keeping our building clean/safe, our property on the inside and outside, so it is a desirable place to be. As mike says, who do we fire to come up with this \$21,000 number that people quoted to us when they came to our meeting with our three elevators, block of property and whatever the third thing was. To do something, are they really going to keep it up the way we keep it up? I'm not against helping the homeless. Good grief. I'm not against employing people. I'm not against getting people off the street. My goodness, we have people across the street singing in the bus stop at 2:00 in the morning. They don't even sing on tune. I'm thinking about going out and giving them music lessons. It's city living. I just -- I think this needs to be thought out. I like the idea of increasing the space. I mean, you're a city now, not just four or five blocks. You're a metropolitan area. You want people downtown, walking those streets. You want us using your services, going

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to the ballet and opera and awl the thing that's we've tried to figure out how to do. We're not all rich. I really resented that.

Adams: Thank you for your testify, you and everyone else.

Leonard: If my quote's going to keep being repeated, I think it should be repeated accurately. What I said was that this is in 2003 when the council ex;ed -- exempted condo owners from paying for the light rail was a person living in the penthouse of the coin tower will stand out with their martini glass, not champagne glass, and toast the city council.

*****: Martini then.

Fish: I'll drink to that.

Leonard: Recognizing there are a lot of other income levels, I was very special about who I was talking about.

Reinerman: Well, I looked at places in the coin tower and opted not to purchase there.

Leonard: Not the penthouse.

Adams: Thank you very much.

Fritz: Itch a question for mike. I want to say "thank you" for your work to the city. Was your security staff -- they would just patrol your place. Right? They wouldn't be out --

Saba: We contract with Portland security who provide on-site 24-hour service in three shifts. When they go to lunch, Portland security circles our block with another personnel.

Fritz: Thank you. Ad sad thank you all very much. And I have an excused absence that I have to leave for. This is the first hearing on both these items, so i'm going to turn it over to the president of the council to facilitate from here. I appreciate everyone who came here to testify on these issues.

Leonard: Next three, Karla? Good morning. You each need to simply give your names and then you have three minutes. Or two minutes. Are we doing two minutes? I'm sorry. Two minutes.

Campbell Richardson: I'm going to make it shorter since lunch hour is approaching and I think the subject's been covered pretty well. My name is pamela richardson, and i've lived in the Portland plaza since 1980. I'm president of the homeowners' association, currently the chairman of the budget and finance committee, but i'm not here officially on behalf of the plaza. This is boiling down to a question of fairness. The plaza particularly is on the very edge of the current boundary. We never see clean and safe people coming by. They don't need to come by. We don't need their service. We're already paying for it. I would certainly join skip frank and his group in their argument that the boundary ought to be looked at. The boundary currently is not -- doesn't make any sense at. But the businesses are coming all over. I certainly support what the b.i.d. Does. You know, you can't argue with that. And I think that this thing out to be looked at not only from a standpoint of those of us that are in the boundary right now but those that ought to be in the boundary. I'll yield the rest of my time.

Leonard: Thank you.

Debi Coleman: My name is debi coleman, and i'm a business owner of smart forsters and rainy day theatrical in downtown Portland, also a resident at the fountain plaza condos in coin center for 14 years. And, yes, I am rich currently to the extent of 28ing \$25,000 per year in property taxes. And with my latest appraisal, the market value is at least 40% under the true market values today and the assessed value itself is slightly under, but i'm more than happy to pay that. The business improvement district is a wonderful concept. The work that clean and safe has done over the years is absolutely fabulous, the best of any city i've seen in the united states, and i've done business all over the united states. However, it does say "business improvement district" and landlords and retail owners and other business owners, those are legitimate business expenses, and they get to deduct them if anyone knows all the tax codes. Those are legitimate business expenses, and they get to deduct them, because this is called a fee rather than a tax. Citizens who own property, either condos -- and I assume but I am clueless -- that there may be some residences in the district and

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anyone who own as home would pay. Maybe there aren't any. I obviously work downtown, play, attend all kinds of arts and entertainment events, and I shop and see the value all the time. However, in 16 and a half years -- and I live here full time -- I have only seen the clean and safe folks on my block two times. I constantly see the people employed by folks in our block out there cleaning and doing all the other activities related to clean and safe. So what I don't understand is the district. 1994, we're complaining about the computer-aided dispatch system that's 12 years old, and we don't think that the districting of 1994 is up-to-date -- is out-of-date? Since then we've had tremendous sums of money put into the pearl district, the cultural district, the river and university districts. And it is absolutely unfair. In the united states of america, which is attempting to rebuild its constitution after eight-plus years of disgrace, could we help it along a little bit here in Portland and get on the equity bandwagon? Please relook at the district that's involved. In terms of the assessment, I myself would be assessed approximately \$1250 per year. Again, nondeductible. And I think that that really creates a lot of bad will among rich citizens, flunkly like myself, who are more than happy to support and generously support social services, education, the arts, the police, everything in the city of Portland to make this most wonderful place in the country to live. Thanks.

Jerry Nothman: My name is jerry nothman. I'm president of the fountain plaza homeowners association. I don't live in the penthouse, commissioner, but I do live in the coin tower and, unlike debi coleman, i'm not filthy rich. [laughter] Obviously it takes 20 minutes or more to point out the inaccuracies of your website and all the questions and answers that you supposedly give there. But what I want to address, seeing that i'm going to tear this up because you won't allow me the time, the city council are on very dangerous ground here, hauling in single-family dwellings by force into a business improvement district. Like debi, I pay real estate taxes. I only have one unit to her several. For that one unit of less than 2000 square feet, I pay \$12,000 in property tax. I would think that that would entitle the resident of that unit to police protection in downtown Portland without having to pay additional sums to go out and rent a rent-a-cop. The logic of that escapes me. I've been on the fountain -- on the clean and safe board for eight years. I've attended every board meeting they've had for over 13 years. And unlike commissioner Leonard's statement that it was a council-induced requirement or suggestion to make it voluntarily, the voluntarily arrangements was worked out and suggested by me and the then president of clean and safe, kevin montgomery smith. So I take full credit for that. Thank you. Fountain plaza in the intervening years has made every payment that we have been invoiced for, have contributed thousands of additional dollars from private funding in the condominium. And I am a great believer and one of the great advocates of clean and safe. But like many other worthwhile projects and organizations in downtown Portland, it has to stand on its merit for contributions. I contribute thousands of dollars to central city concern, burnside -- I forget what they -- burnside project and other things to the Portland symphony, to Portland state. That's not the issue. We are not bad guys. It's a question of making this -- if any one of these organizations came to me with a gun at my head and said, hey, you have to contribute, i'd tell them to go to hell. And I can assure you that clean and safe will never get a dime from me other than voluntarily.

Leonard: Thank you very much for your time.

Fritz: Nut man, if you would send your comments to us -- this is a first reading. We won't make our decision until next week, so I will read it if you'd send your information.

Nothman: I'd be happy to do that if you're really interested.

Fritz: Thank you very much. I am.

Leonard: Dan, do you want to testify? Pull up a chair. Nearly afternoon, still morning. You need only give your names, and you each have two minutes.

Richard Leonetti: I'd like to take three if I might. My name is richard lionetti, the treasurer of the fountain plaza condominiums. You were proposing to extend the business improvement tax to our

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private homes, even though we're not a business. You should know that the fountain plaza has been voluntarily contributing \$115 per unit year after year because we feel some of the clean and safe things you do are worthwhile. But we have been contributing, contrary to what you've heard here. I've looked at the last eight years as a contribution in every single year, and it's exactly the amount we were billed, and it averages \$115 a unit. Fundamentally, this tax is unfair. And let me give you some examples of how it does not consider building values and number of individuals using the building that is claimed on the website. That's not true. The values used were late 1993 and 1994. Any building upgraded since then does not pay more because of the upgrade. If I buy a slum building that was a complete wreck of little value back in the 1990s, I could renovate that building into the most gorgeous condominiums in the world, and I would pay virtually nothing to this tax. If you built one right next-door to me brand-new, you would pay hundreds of times more for exactly the same building. This thing relates to values established 15 years ago. They don't relate to today. And there is no bringing forward. It has nothing to do with the value or people. I don't think that would be fair for you to own a building next-door to mine and pay hundreds of dollars more than my slum condominium. Macy's store, their unemployment ranges to 150 to 200 depending on the season. They see thousands of customers each day. Their people count and value far exceeds our condo numbers. And yet their tax under this is \$24,000, and our tax in the condos is 3500 dollars. Doesn't strike me as fair. The marriott hotel on naito parkway, they've got 504 rooms, thousands of square feet of meeting space, restaurants, underground parking. They pay \$54,000. How does that compare to 44 units paying \$30,000? In my handout, there's a table. You can see what the individual condominiums would compare under this proposal. Compare the \$675 we're asked to pay to the pfau \$42 amount a similar Portland plaza would pay. Also look at the Portland center apartments. Those are high-rise buildings on harrison street with a 61 and \$74 per unit tax. These amounts have no relation to values or people either. My suggestion is that you do not enact the statute in the form it is, because it's so unfair. You should also invest some work at rewriting this whole section of city code under special taxes since the same inconsistencies exist between the real businesses who are paying most of the taxes. We would consider continuing to pay a reasonable flat fee per unit if it was applied evenly to all the condominiums. You still have the problem issue raised by several owners that any imposition on a home would be illegal under the Oregon constitution. You have a letter on that from one of our owners.

Leonard: Sir, you're into your fourth minute.

Leonetti: Ok. My thought is that a modest, evenly applied, flat fee on condominiums might avoid conflict over this point. I've contradicted several things you heard from the alliance. I'll be happy to answer questions.

Leonard: Thank you. Go ahead. Sir? Go ahead. Yes.

David Regan: David regan. With clean and safe, not everybody has spoken out about it, as I have, and think clean safe is all bad. The gentleman from central city concerns told about the program to get -- for recovery program and unemployment. This is the right idea. Let me suggest to you that what you've created downtown with clean and safe is an enclave. Chronic homeless is on the rise across the united states and migratory homelessness, a little more frightening, is on the rise across the united states. If you don't believe me, i'll just keep bothering you for a year until the statistics bear out. You've created an enclave, and you can feel safe there and don't have to worry as much about people sinking in the bus stops or worry about what kind of drug deals are going on at the convenience store when people are toasting with their martinis or beers or whatever. But until you create jobs, you will not solve this problem, and the city will remain -- I wouldn't care about sit/lie as much if people had a place to actually go. So i've come in here wearing two hats. I'm trying to be the nice guy and make you love me. I love you guys. I've looked at your resumés and programs, and I love this. Portland's great. This is a wonderful open forum, and I like each of you, but let me suggest that, unless you focus on jobs, you will not solve these problems. The other hat i'm wearing

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is about tent cities, and that is abrasive, and you don't like to hear it, and I understand that. It's already in the law, I believe, that says you can create a second tent city and right-of-way, you have the power to create many, a little far from people's backyards, near mass transit. You've got to give people the dignity of a full night's rest in order to go out and look for jobs that aren't there. Green home for homeless, therapeutic gardening communities, also brown field remediation and all kinds of things that have been discussed in a lot of the books that are out. Thank you.

Dan Handelman: Good morning. This is what I came here to testify about today, and i'm still waiting for the end to come up on the agenda, but i'm glad I have a chance to talk about this. I'm dan handelman from Portland cop watch. The issue that's not being talked about is, although this last gentleman touched on it, is the whole question of use of this private tax for private security and the enforcement of sit/lie among other anti-poor person laws. One of the issues raised is that there are 16 armed security guards being paid for under this private tax of the downtown people. The security guards are armed, mostly retired Portland police officers, and there's no oversight for them except for a private corporation that hires them or employs them. And the city is helping to foster this. And one day there will be a shooting by one of these security guards, and then we will have no means to hold that security guard accountable because they're a private police officer. In terms of creating jobs, we seem to be creating jobs for people who are already creating tension instead of jobs. We've asked the question before, Portland cop watch, if we had enough money, could we buy our own police officer, enforce the law that's we think are important? It seems like what we're leaning towards is that this futuristic scenario that people right about in science if I can shung all the time where corporations get to decide what goes on, who does what, who the police are and what they do, they're not writing about that because it's something they enjoy. They're writing this as a warning of this is the kind of society we don't want to go toward. I'm talking about looking at the whole program. Even though it may be cutting edge, be cautious about what you're doing, giving away from should be public oversight of law enforcement to private interests. Thank you.

Regan: I beg the council for 10 more seconds. Can you grant it, mr. Leonard?

Leonard: Go ahead.

Regan: Miss martin from p.b.a. suggested that chronic offenses, chronic crime was down 81%. I don't know if the boac system is up enough for you to talk with clackamas or any of the surrounds counties, but that crime has just moved to gresham is all. That crime hasn't gone away. Until you create jobs, you'll just have to keep having struggles about where to draw the line and who to tax to pay for the good. We should have recovery programs, but you can combine these things -- ok. Sorry.

Leonard: That statistic is specifically on the recidivism rate.

*****: Recidivism is down 30%.

Leonard: That is the crime rate. The recidivism is the rate of the top 400 offenders.

Regan: Crime is not down as much as you think it is. It's just moved to the outskirts of your city, sir.

Leonard: The stats show that it is. Thanks. Anybody else want to testify? Council discussion?

Saltzman: I guess I have a question, and that's --

Leonard: Who is that of?

Saltzman: Well, I guess it might be mike.

Leonard: Mike, ty.

Saltzman: Maybe shane. And I guess it's also a question of my colleagues. The obvious question: Why don't we consider -- why haven't the boundaries changed since 1998? What would be the down side of making i-405 and the river the boundarys?

Kuykendall: The primary reason why the boundaries have not changed is because, if the boundaries were to be changed and the congress doughs weren't paving into the district -- paying into the districts, the security and cleaning would be required to go to 405. But if they're not

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capturing revenue to support that, it would make the bid less safe and clean. Obviously, if the condos come into the system and are paying their share or would pay their share if you were in the outlying areas, that would change the discussion, I think, significantly.

Saltzman: We have the ability, as the city council, to do that. Right?

Kuykendall: [laughter] yes. Undercurrent city code, the way it's written, is that two-thirds of the property owners in the area that would like to join the b.i.d. Have to vote.

Fritz: Or council.

Saltzman: Because we're not giving the owners that are potentially affected here the opportunity to vote. Right? The two-thirds rule doesn't apply?

Kuykendall: Because they're already within the b.i.d. This is how the city code is written. If two-thirds outside the b.i.d. Wanted to join, the board would approve it, and then it would come to council.

Saltzman: Council could also amend this ordinance to make the boundaries 405 and the willamette river.

Leonard: Which is fine but unrelated to this discussion. This discussion is as to whether or not it is appropriate to continue not having condo owners participate. To expand the discussion is an appropriate discussion. To expand the boundaries is an proper discussion but really unrelated to this.

Saltzman: Yeah. Not totally unrelated but maybe technically unrelated to what we're saying now. As a policy measure, I think it's not unrelated.

*******:** The bid provides no services outside of its boundary, so there's no benefit to folks across the street. The boundary in terms of park blocks, specifically the boundary is on the condo side of the park blocks, so we don't patrol -- the bid does not provide patrols in the park.

Saltzman: I think the map shows there have been places -- the mosaic, I believe, is what it's called. The pearl north -- i'm sorry -- west of 11th avenue, there's certainly a lot of new condos that I think benefit from the services. One way or the other.

Leonard: And they do, but the discussion up to now is that the condo owners don't think they should pay. Today the argument was, well, if we pay, somebody across the street should pay, too.

Kuykendall: The current property owners, if one-third could vote to dissolve the bid, they could do that. The property owners pay to meet the fee. 100,000 dollars, but the cost of security and cleaning would be \$900,000 for instance, that would be certainly something that the current property owners would weigh in in terms of continuing with b.i.d. after 2011 when it's set to expire.

Saltzman: The current bid expires?

Kuykendall: In 2011. It's every 10 years.

Saltzman: Has it ever been looked at, the Portland alliance or city looked at what it would cost to provide clean and safe services in the 405 loop?

Kuykendall: No. We haven't looked at that entire area.

Saltzman: Just a hypothetical number purely?

Kuykendall: Correct. I couldn't tell you the exact. I know the pearl has approached me in the past as well as south waterfront to join the bid, but of course both of those are condo heavy, and very little business support to be paid into the bid fees. The board has considered it, but absent the condo presence, it probably could not pencil out. It would extract resources from the current bid.

Saltzman: I guess this is my last question for shane. The process by which we would actually draw new borders --

Shane Abma, Sr. Deputy City Attorney: It would just be a code change. The borders are defined by city code and can be changed by the council as well. The 33% that mike mentioned, 33% of the revenues generated, whoever is paying it, they can vote to have it resolved. It doesn't require 33%

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to petition to get one. The city council can expand the boundaries without any property owners' agreement of course.

Leonard: I would be concerned if we unilaterally decided on our own to expand the boundaries without taking advantage of the board made up of people working and living there. Some people today think --

Saltzman: I would agree I wouldn't propose that as an amendment but maybe an option we would consider.

Fish: This is the first reading, so we get a chance to absorb a lot of information. Because of the time I wonder if I could just pose a couple questions and get something as some feedback between now and the second reading. It first has to do with Mr. Lionetti, his testimony, and just the range of cost to different condo owners. His chart, there's a lot of information on that. The q. & a. -- q. And a. Has a discussion about the difference between a flat fee versus this approach. If I could have just a little more discussion, I think I understand the argument but could use a little more. The third, Debi Coleman raised a question, and I -- it just may be that I'm thick today, but she's raised a question about the tax consequences of a fee like this on different kinds of property owners. Someone with a rental apartment versus a condominium owner. A condominium owner might -- and I've never had a condominium, but my understanding is you have both an association fee -- you pay fees to an association, plus you're like a homeowner and pay your property taxes. I would just like to know, just like a response to the question she posed, as to whether we're characterizing this as a fee. Does it have differential tax consequences depending on the status of the property owner?

Leonard: That's an argument that has come up a lot. They can respond, but the short answer is yes, it does. That would have to do with the tax code and not --

Abma: If I could, just to be clear, Commissioner Fish, this is a property management license fee. The property owner pays this. That may increase the homeowners' association fees because they're doing the property management or hiring someone to do it, which is probably passed on to the homeowner, but the individual condo owner is not paying this fee. I mean, from a legal standpoint. That doesn't mean they're not paying more in homeowner association fees overall. So the tax consequences for that particular owner isn't going to change if they're paying -- I don't know what they're paying, but if it's 1000, the next year it will be \$1100. That's 100 increase on their fees.

Fish: I'm not trying to reopen an old wound. As I sit here, I don't understand the different tax consequences to different classes of owners, and I just -- between now and next week, I'd like to be informed on that.

Fritz: I would like you to get back to me with the answers to some of these questions regarding the legal issues that you see on the fee to properties. I would want to know is they have if he cannively a tax on the property versus a business expense and what the city attorney thinks about that? I had correspondence from the Harrison East and West Condominium. I'm concerned about the formula and their lack of input into the formula, and I do think we need a discussion about whether things have changed in the last 15 years and whether there should be more input on that. I heard maybe one person today saying they shouldn't pay the fee at all, but it's more about equity and the particular assessments. We had a letter from an Earl Childs concerning a differential rate for affordable housing. Doing a different rate for condominium owners would not create a precedent is also interested in the testimony that talked about payments of property taxes and how much states and the different levels of payments of property taxes based on tax abatement in some buildings and not other buildings and whether that needs to be considered into whether the residents of those buildings are already paying into the system as a whole, but there should be some consideration of that in determines what the specific fees are. I was encouraged to hear that nobody said -- very few people have said, we shouldn't pay it at all. It's just a question of the equity and the formula and

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who would be able to appeal. If the district doesn't agree -- if the property doesn't agree with how the fee is assessed, then who do they appeal to and what's the composition of that appeal party.

Leonard: Other comments?

*******:** Can I ask a question?

Leonard: No, you may not.

Fritz: I'd be happy to read anything you send in.

Leonard: No, you may not. Thank you. Karla? I guess we'll do the last ordinance, and then we'll go back to the concept items that were pull -- consent items that were pulled. 814.

Item 814.

Leonard: We have somebody from the water bureau? Good morning.

*******:** Good afternoon.

Leonard: Good afternoon.

Stan VandeBerg, Portland Water Bureau: My name is stan vandeberg, the principal person in the water bureau. Funding for this project is under the american recovery and reinvestment act of 2009 administered through the safe drinking water revolving loan fund program. We have just recently been notified that we are the recipient and have been granted this project to be funded under this program. It's a combination loan grant program. The amount is a million 3. 50% of it will be a grant. 50% will be a loan at 3% over 20 years. There will be approximately 14 jobs created by this program. What we're doing is putting this forward as an emergency ordinance. The reason for it is to comply with the requirements of the program. What we have is a requirements that begins construction by february, 2010 and -- 2000 len and completion by 2011. We will be coming back to council with a formal agreement. We're still working out the details from the state revolving fund on the program itself. This puts into motion a project to move forward into a construction project to get that work done.

Leonard: Questions? Commissioner Fritz.

Fritz: I heard you say we got all the money from --

Vandeberg: It funded at 1.3 -- \$1.3 million. That's what we anticipate the contract to be. 50% will be a grant. 50% will be a loan at 3% over 20 years.

Fritz: All of that comes from the federal american recovery and investment act. What is our financing plan for paying back the part that's a loan? How does that get done?

Vandeberg: What we're getting is 50% of this project offset over the capital improvement program that we have, that we would anticipate doing under the capital improvement program. We submitted it as part of that package. We're fortunate enough that they're willing to buy this project, so to speak, and grant it as, so to speak, and grant it. We had anticipated this being a three-year contract to do this project over a period of time. We'll expedite the project to meet the requirements that they have for the program to deliver this project in a year's time.

Fritz: Is there any money now coming out of the 9/10 budget on this?

Vandeberg: The pay back of the loan, which would revolve on the rates and budgets we have.

Fritz: Is that included in the rates that we set or is there going to be safings?

Vandeberg: My understanding is there would be savings on the rates, but i'm not an expert into that. Right now, the way the budget was presented, I think it was anticipated it would be a three-year project.

Fritz: It great that we have a federal grant. And since it was in the budget, I would think that next year we'd see that. That would be spelled out somehow in the water bureau budget next year?

Vandeberg: It will be something small.

Leonard: Further questions? Please call the roll on 814. Does anybody want to testify?

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

Leonard: Aye. So go to the three items pulled from consent, 797. Thank you.

Item 797.

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Saltzman: This is money to pay for three residential beds for in-patient drug and alcohol treatment used by the coordination services team. It's a highly indispensable program.

Leonard: Dan?

Handelman: I'm still dan handelman with the Portland cop watch. A few weeks ago, I talked about the bill for this past/current year. Now \$185,000 additional is being approved to pay for these beds. Nobody's against treatment programs that I know of. I think everybody thinks that should be treatment programs for people who need it and want it. The issue I raised last time is that first of all this shouldn't be on the consent agenda because this is a controversial program. A short list is kept of people who are arrested over and over again with no judicial oversight. The person who raised this issue in court recently was eldon rosenthal, an attorney who went to bat to take down the aryan nations after surau was beaten and -- was beaten and killed. He was accused of being a terrorist who bomb a train in spain. Eldon rosenthal does not take things on lightly. He would not take on the program if he thought it was just a peachy thing. I'm hoping you'll take another look at the question. It's not clear to me -- we're a volunteer group that has a lot of other stuff we're trying to look at. You don't have time to scour your budget. I don't know if you've approved the money for the upcoming year. I'd like to hear about the council about the program that is controversial and has had a court ruling that's in ad bag about whether or not the police continue to keep this secret list. I understand you're just paying a bill, but I really feel like this is something we should have a public discussion about. I certainly learned from last time that I don't get the last word here, and this is not the greatest place to have a discussion like this, but I would like to really encourage council to discuss these issues on the regular agenda and continue to discuss this. I mentioned before, too, that the public defender should be involved in the selection of who can go to treatment, and they've been saying, why should my client have to be arrested over and over and over again to get the treatment bed they want when they want to do it on their first arrest instead of having to be arrested 100 times or whatever.

Fish: Two quick points, sir. First is I had the pleasure of touring the residential treatment facility and met with a number of, quote, chronic arrestees that told me this was the single most important program in their lives to lead them to a path of self-sufficiency. They're the most eloquent proponents of this particular program. I just want to make sure the record is clear. Either I read this or mr. Rosenthal told me this in the course of litigation, the list was actually disclosed. Is that correct?

Handelman: I think somebody had a copy of it.

Fish: My question is during the course, it was disclosed. Correct?

Handelman: I don't know the answer to that.

Fish: I believe the press account said that and lawyers confirmed that. So I just want to be clear, there's a list, I don't believe it's secret anymore. I think it was published in the course of the litigation. I also respect your point about items from the consent agenda versus the regular agenda and that's why we give citizens the right to move forward. Thank you.

Leonard: Commissioner Fritz?

Fritz: I have a question. I can get the answer later. Are these extra beds or are they assigned, are we paying for the existing capacity?

Saltzman: These are paying for 3 current beds -- contract with the county.

Fritz: Right. I use to work on a 20 bed unit and there were two of those beds assigned to a particular company so we couldn't fill those beds with somebody else. Is this three of 20 or does it add three to make it 23 in a similar kind of unit?

Saltzman: I believe it's adding three additional beds.

Leonard: To be really clear, this -- this strictly speaking isn't the program you're addressing. This is a particular contract with the volunteers of america that we established to take clients of volunteers of america who have had a history of actually violent criminal activities and as part of

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their treatment program, they agree to go to these treatment beds. So they strictly speaking aren't the people you're talking about that get arrested as a result of this list and told you either go to jail or treatment. These folks come from an although a criminal background, actually a more severe background, they voluntarily enter the program as part of the volunteers of america.

Handelman: It refers to the [inaudible]

Leonard: I'm sorry. It's part of the approach but not strictly speaking, the these clients aren't literally arrested and told you go to treatment or jail. They're in a treatment program as apartment of a probation program and ongoing participation in volunteers of america. Your point, although well taken and I was actually going to -- did you have further questions? As I said last time you brought this up, I mean, I don't think anybody here has a better record than I do of not supporting activities that I think infringe on individuals' constitutional rights. To rehash that, the joint terrorism taskforce i'd like us withdrawn from and not supported the sit-lie ordinance, and not supported the prostitution and drug-free zones are for the reasons you do. I've had conversations with the police about this, I do not understand why they keep this -- they allow this issue to exist. The people incorrectly refer to as the secret list. These are people arrested, those are public records and you get to the top of the list by having the most arrests and why they don't disclose that is a mystery to me that they allow this issue to be kind of like this diversionary discussion that takes away from a program that as commissioner Fritz just described, saves people's lives and allows for this other discussion that is really irrelevant that doesn't make any sense to me because people on the list are there only because they have the most amount of arrests. And that's all public record, so why that doesn't get disclosed -- I would disclose it in a heartbeat and get focused on the good work that the police bureau does and that commissioner Saltzman is leading and saves peoples' lives. And the reason someone on the list gets offered treatment as opposed to someone who doesn't get arrested, this is a law enforcement tool. Not a social program. This is an law enforcement program that is smart and cutting edge and designed to be more thoughtful than just throwing people in jail and saying you're going to stay there for five years because you did x, y and z. This is a thoughtful approach to get people out of that vicious cycle so they end up being more productive citizens and they quit breaking the law, the bigger point. So sorry about that, but -- this is an emergency ordinance. Karla, please call the roll.

Fish: This is an emergency ordinance?

Leonard: Uh-huh.

Fish: I think technically on this and the next one, because i'm on the board of voa, I think I have to recuse myself.

Leonard: Do you benefit personally from it?

Fish: I do not.

Leonard: You do not have to recuse yourself.

Saltzman: And this is a contract with the county.

Leonard: One only recuses when they benefit personally.

Fish: So i've disclosed i'm on the board which if anybody has an issue, technically does not disqualify me?

Leonard: Yeah. Karla, please call the roll.

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

Fritz: Aye. [gavel pounded]

Item 798.

Leonard: Commissioner Saltzman.

Saltzman: Thanks, this is a grant with the volunteers of america. They're one of our three non-profit suppliers that provide the Portland police, domestic violence unit with a victim advocate and provide support to victims and survivors of domestic violence.

Leonard: Anyone want to testify? Council discussion? Karla, please call the roll.

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Moore-Love: Commissioner Fish is recusing himself?

Fish: On this one, you can call me. Thank you, Karla. I'll disclose i'm on the board of volunteers of america but do not personally benefit and so technically, I do not need to recuse myself. I vote aye.

Saltzman: Aye. **Fritz:** Aye.

Leonard: Aye. [gavel pounded] 799.

Item 799.

Leonard: Commissioner Saltzman.

Saltzman: Was this an item that was pulled by dan handleman?

Moore-Love: No, there's an amendment for this one.

Saltzman: Oh, ok.

Leonard: It's been sit -- he's been sitting here all day. Lucky you.

Saltzman: Sean murray, who handles the hiring process for the police bureau, will speak to this.

Sean Murray, Portland Police Bureau: I'm sean murray, human resources manager for the Portland police bureau. The ordinance is to promote funding for the ranks of sergeant, detective and lieutenant. And the police bureau has the ability to determine promotional rankings and the assessment company, booth research, has extensive experience in conducting this. First, to extend the contract with booth until december 2010 and also to correct a mathematical error in the original ordinance. It stated that the new contract shall not exceed \$160,300. The correct amount is \$110,200.

Leonard: That's what mine says.

Moore-Love: It's in the ordinance itself. Is that correct, sean?

Murray: Yes --

Moore-Love: No. 2 on the amendment.

Leonard: I don't have --

Fritz: The correct amount 110 or 160?

Murray: The correct amount is \$110,200.

Fritz: I have it in my ordinance.

Leonard: That's what I have -- the handout you got on the second page is -- is -- it's been changed in the amendment. And what was the other amendment?

Murray: To extend booth's contract out to 2010, december.

Leonard: So we need a motion to accept the amendment on the handout.

Fish: So moved.

Saltzman: Second.

Leonard: Karla, please call the roll.

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

Leonard: Aye. [gavel pounded] further discussion on the ordinance? Thank you, sean. Karla, call the roll.

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

Leonard: Aye. It's adopted. [gavel pounded] there's no afternoon session. We are recessed until next Wednesday 9:30. Thank you.

At 12:39 p.m., Council adjourned.