



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 20TH DAY OF APRIL, 2011 AT 9:30 A.M.

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

Commissioner Fish arrived at 9:40 a.m.

At 11:59 a.m., Council recessed.
At 12:07 p.m., Council reconvened.

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

Motion to hold a meeting April 28, 2011 at 6:00 p.m. to consider the issue of the Joint Terrorism Task Force: Moved by Mayor Adams and seconded by Commissioner Fritz. (Y-2; N-3 Fish, Leonard and Saltzman) Motion failed.

On a Y-5 roll call, the Consent Agenda was adopted.

COMMUNICATIONS		Disposition:
364	Request of Pete Colt to address Council to thank city bureaus and employees (Communication)	PLACED ON FILE
365	Request of Sean Beers to address Council regarding the general fund and cluster support for the Portland Development Commission (Communication)	PLACED ON FILE
366	Request of Ed Smith to address Council regarding the Portland Development Commission being an asset for wind energy (Communication)	PLACED ON FILE
TIMES CERTAIN		

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<p>367 TIME CERTAIN: 9:30 AM – Adopt the Lake Oswego to Portland Transit Project Locally Preferred Alternative (Resolution introduced by Mayor Adams) 2 hours requested</p> <p>Motion to add to the resolution last whereas paragraph “Consistent with principles outlined in Exhibit C” and adopt Exhibit C 1-5: Moved by Mayor Adams and seconded by Commissioner Fish. (Y-5)</p> <p>Motion to approve Exhibit C, item 6: Moved by Mayor Adams and seconded by Commissioner Saltzman. (Y-4; N-1, Fritz)</p> <p>Motion to add resolved paragraph stating conditions for commitment of City funds for engineering: Moved by Commissioner Saltzman and seconded by Commissioner Leonard. (Y-5)</p> <p>(Y-4; N-1, Fritz)</p>	<p>36856 AS AMENDED</p>
<p>CONSENT AGENDA – NO DISCUSSION</p>	
<p>368 Accept Waterfront Park improvements from the Portland Development Commission and assign maintenance responsibilities for the Bill Naito Legacy Fountain and Teachers Fountain to the Water Bureau (Ordinance introduced by Commissioners Fish and Leonard; amend Ordinance No. 161007)</p>	<p>PASSED TO SECOND READING APRIL 27, 2011 AT 9:30 AM</p>
<p>Mayor Sam Adams</p>	
<p>Bureau of Planning & Sustainability</p>	
<p>*369 Extend Green Investment Fund Letter of Agreement with Civic Housing, LLC for payment of grant balance (Ordinance)</p> <p>(Y-5)</p>	<p>184525</p>
<p>Bureau of Transportation</p>	
<p>*370 Authorize the Bureau of Transportation to indemnify Oregon Museum of Science and Industry for easements acquired in connection with the Portland Streetcar Loop Project (Ordinance)</p> <p>(Y-5)</p>	<p>184526</p>
<p>*371 Authorize a contract with the lowest responsible bidder for the 80's Neighborhood Greenway project (Ordinance)</p> <p>(Y-5)</p>	<p>184527</p>
<p>*372 Authorize an Intergovernmental Agreement and accept a grant in the amount of \$2,093,400 from the Oregon Department of Transportation for the Going to the River project (Ordinance)</p> <p>(Y-5)</p>	<p>184528</p>
<p>*373 Authorize an Intergovernmental Agreement and accept a grant in the amount of \$15,000 from the Portland Development Commission for construction of Safe Routes to School project improvements on SE 104th Ave from SE Harold to SE Holgate (Ordinance)</p> <p>(Y-5)</p>	<p>184529</p>

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374 Grant revocable permit to Restaurant Services to close SW Stark St between SW 10 th Ave and SW 11 th Ave from 6:00 a.m. until 11:00 p.m. on June 19, 2011 (Ordinance)	PASSED TO SECOND READING APRIL 27, 2011 AT 9:30 AM
375 Grant revocable permit to Pacific Northwest College of Art to close NW 13th Ave between NW Lovejoy St and NW Johnson St and NW Kearney St between NW 12th Ave and NW 13th Ave from 8:00 a.m. on June 3, 2011 until 2:00 p.m. on June 5, 2011 (Second Reading Agenda 342) (Y-5)	184530
Office of Emergency Management	
*376 Accept and appropriate a grant in the amount of \$35,000 from Oregon Emergency Management for the FY 2010 State Homeland Security Grant to prepare for acts of terrorism and other catastrophic events (Ordinance) (Y-5)	184531
Office of Management and Finance	
*377 Pay claim of Russ Gilbert involving Bureau of Transportation (Ordinance) (Y-5)	184532
*378 Change the salary range for the Nonrepresented classification of Legal Assistant Supervisor (Ordinance) (Y-5)	184533
*379 Authorize contract with Solarc Architecture and Engineering, Inc. for LEED technical consulting services for The Portland Building not to exceed \$171,970 (Ordinance) (Y-5)	184534
Commissioner Nick Fish Position No. 2	
Portland Housing Bureau	
*380 Amend subrecipient contract with Housing Authority of Portland to add \$10,975 for delivery improvement of the Rent Well Tenant Education Program and to administer the Landlord Guarantee Fund (Ordinance; amend Contract No. 32000394) (Y-5)	184535
Portland Parks & Recreation	
381 Amend contract with Ellis & Associates in the amount of \$90,000 to provide additional lifeguard certification and auditing services (Ordinance; amend Contract No. 30000681)	PASSED TO SECOND READING APRIL 27, 2011 AT 9:30 AM
Commissioner Amanda Fritz Position No. 1	

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Office of Healthy Working Rivers

- *382** Authorize the Director of the Bureau of Environmental Services to enter into agreements to evaluate and implement natural resource restoration projects related to the Portland Harbor Superfund Site (Ordinance)
(Y-5)

184536

REGULAR AGENDA

Mayor Sam Adams

- 383** Support the addition of a Deputy District Attorney and re-establishment of the Walking Beat Program for arrest and prosecution of drug crimes in Illegal Drug Impact Areas (Resolution) 20 minutes requested
Rescheduled to April 20, 2011 at 2:00 p.m.
(Y-3; Fish and Saltzman absent)

36858

Bureau of Transportation

- 384** Allow consumption of alcohol in the Public Right of Way provided a permit for a Community Event Street Closure -- Alcohol Allowed is issued under Chapter 17.44 (Ordinance; amend Code Section 14A.50.010 and 17.44.020)
Rescheduled to April 20, 2011 at 2:00 p.m.

**RESCHEDULED TO
APRIL 27, 2011
AT 9:30 AM**

- 385** Vacate a portion of SE 94th Ave north of SE Henry St subject to certain conditions and reservations (Second Reading Agenda 353; VAC-10074)
Rescheduled to April 20, 2011 at 2:00 p.m.
(Y-4; Saltzman absent)

184538

Office of Management and Finance

- 386** Amend City Code to reflect current structure, operations and new responsibilities in the Office of Management and Finance (Second Reading Agenda 357; amend Code Chapters 3.15 and 3.08)
Rescheduled to April 20, 2011 at 2:00 p.m.
(Y-4; Saltzman absent)

**184539
AS AMENDED**

**Commissioner Nick Fish
Position No. 2**

Portland Housing Bureau

- *387** Authorize the sale of nine single family houses located in the Interstate Corridor Urban Renewal Area to RENEW Kenton Homes LLC and approve tax increment funding to benefit income-eligible, first-time buyers (Ordinance)
Rescheduled to April 20, 2011 at 2:00 p.m.
(Y-5)

184537

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City Auditor LaVonne Griffin-Valade

388 Accept the audit of the Comprehensive Annual Financial Report of the City for
FY ended June 30, 2010 and the related Communications with Those
Charged with Governance letter (Report) 20 minutes requested

Rescheduled to April 20, 2011 at 3:00 p.m.

ACCEPTED

At 1:37 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 20TH DAY OF APRIL, 2011 AT 2:00 P.M.

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

Commissioner Saltzman left at 4:03 p.m.

Commissioner Fish left at 5:06 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council and Susan Parsons, Assistant Clerk of the Council; Ben Walters, Chief Deputy City Attorney was replaced by Roland Iparraguirre, Deputy City Attorney at 4:00 p.m.; and Ron Willis and Pat Kelley, Sergeants at Arms.

	Disposition:
389 TIME CERTAIN: 2:00 PM – Accept the report and update on the \$1 Million Special Appropriation for Addressing Downtown Homelessness (Report introduced by Commissioner Fish) 20 minutes requested	ACCEPTED
390 TIME CERTAIN: 2:20 PM – Continue the Downtown Business District property management license fee for an additional ten years and direct the Revenue Bureau to analyze expansion options and possible changes to fee calculations (Resolution introduced by Mayor Adams) 1 hour requested Motion to reword ordinance title: Moved by Commissioner Fish and seconded by Commissioner Fritz. (Y-4; Saltzman absent) (Y-4; Saltzman absent)	36857 AS AMENDED

At 6:06 p.m., Council adjourned.

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.

April 20, 2011
Closed Caption File of Portland City Council Meeting

This file was produced through the closed captioning process for the televised City Council broadcast and should not be considered a verbatim transcript..

Key: ***** means unidentified speaker.

APRIL 20, 2011 9:30 AM

[gavel pounded]

Adams: The city council will come to order. It is wednesday, april 20th, 2011. It's 9:30 a.m. and good morning, Karla.

Moore-Love: Good morning.

Adams: How are you.

Moore-Love: I'm good.

Adams: Did you enjoy the sun today?

Moore-Love: A little bit.

Adams: A little bit? Can you please call the roll. [roll call]

Adams: Quorum is present and we'll proceed beginning with communications. Can you please read the title for item number 364.

Item 364.

Adams: Mr. Colt, welcome back. Glad you're here. For everybody testifying today, we need to know your name.

Pete Colt: Pete colt.

Adams: We would like to know if you're authorized to lobby on behalf of a client, an organization.

Colt: The only thing I lobby are hard balls.

Adams: Anything like that.

Colt: No, no, no.

Adams: And today, when we get to the discussions of Portland-milwaukie light rail, any descriptor, although you're not required, would be helpful to us. Mr. Colt.

Colt: Alright, Mr. Leonard, you're looking good. Congratulations on everything in your personal life.

Leonard: Thank you.

Colt: Mr. Saltzman, I wanted to start with you and thank you for watching our pocketbooks and in these hard economic times we need someone like you and someone like you, commissioner Fritz, who really watches the bottom line, who was elected on basic services that we need now more than ever. Thank you both for that. Commissioner Fritz, I want to thank you for turning oni around and I want to start with dennis, appointed to a new position. When he ran the information desk downstairs he was somebody I knew I would call and be sent over to the right person in the right organization that would help me navigate the processes we have here with the different styles we have and I want to thank frank silva, a crime prevention specialist in our neighborhood. Thanks to him, the prosecution has decreased, there's still a couple of johns and prostitutes around, mostly and the mcdonald's on west burnside, which seems to be a safe haven and I want to thank him for reducing the syringes around trinity episcopal and st. Mary's catholic cathedral and congregation beth israel. Thank him for that. And I wish commissioner Fish was here because I wanted to thank him for a woman, teresa sanchez, who works for hap and was at the williams plaza and then they moved her to the northwest tower. I volunteer with northwest ministries -- hi, there you are. Hi, commissioner Fish. I was talking about teresa sanchez, who works for hap, she was the manager at williams plaza and moved over to the northwest tower. There were a lot of prostitutes being housed in those buildings and she's pretty much eliminated them. And also, northwest Portland ministries to clean apartments who are coming up for inspections and to a key, they say she's fair and firm and

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things have never been better in that building and I think she should be commended here in public.

Teresa sanchez. My time is up?

Adams: You have 27 more seconds.

Colt: Well 27 more seconds, What should I do except to say, back to oni, thank you for being a participate in the neighborhoods and for showing up. Thank you for happening virtually every single email sent to you. It's an amazing thing you're able to -- wait until 1:00 or 2:00 in the morning and then be here, on the bus. Thank you, commissioner Fritz.

Fritz: Thank you, pete.

Adams: Thank you, mr. Colt. We'll now hear item number 365.

Item 365.

Adams: Hi, welcome.

Sean Beers: My name is sean beers, I'm CEO of Korkers, a rapidly emerging company here in Portland. We employ -- we have nine employees currently and growing rapidly and got ambitious plans for the future and global operations and on the topic of the general fund and cluster support for the pdc. I would like to comment that i've participated in supporting the small business and entrepreneurial network here in Portland. And I know it's a important issue for you, mayor Adams, I wanted to make sure that i've expressed the work expanding market opportunities such as domestic and international trade support for these emerging companies and numerous other areas. The work by the pdc requires significant staff planning and support to coordinate effective and provide tangible returns that will improve the opportunities for companies in the clusters thrive over time. And given the talent pool in Portland, which he know, we've spoken about in the past and the shared desire to help reinvigorate the Portland economy, the work that the pdc provides can be important to help the local businesses to the benefit. All Portlanders and I thank you for your time this morning.

Adams: Thank you very much and you've been -- congratulations on all your success and you've made a great contribution to -- as you mentioned, athletic and outdoor cluster strategy and i'm grateful.

Beers: Thank you very much. We've got a lot of work ahead of us and there are a number of folks like myself who are starting companies or helping emerging companies to become much larger and I think the work that the pdc is doing can be supportive in that regard moving forward. Thank you for your support.

Adams: Thank you. Please read the title for communications item number 366.

Item 366.

Adams: Mr. Smith. Hi -- welcome.

Ed Smith: Ed smith, operations manager for premiere machine works located at 17th and thurman street. We're best known in the area for a lot of the gearing and machine parts for the bridges over the willamette river, hydroelectric dams on the columbia and snake river and we've had quite a presence in Portland and throughout the united states and also best known for probably the plywood equipment we've manufactured since 1923 which is throughout the world. Being we are in wood products we decided to diversify and look to renewable energy and basic wind. And -- in 2003, we tried to go down the road of wind and got hooked up with the pdc, which has been a tremendous assess and in 2010, we were invited to go to dallas, texas, with the pdc in part of the wind group down there. And it's been phenomenal what the pdc has established for premiere and other northwest companies. Down in dallas, they've promoted the connectory database and took care of the media for local and national exposure and coming this may, we'll be going back down with the pdc to anaheim, california, to attend the -- wei. And we appreciate very much what the pdc has created for the wind market here and in the northwest six think their leadership and forward thinking has been a tremendous asset for our northwest companies. I appreciate that.

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Adams: Thank you, mr. Smith. Really appreciate that and congratulations on your continuing success.

Smith: Thank you very much.

Adams: All right. I move to suspend city council rules to propose a thursday, april 28th council session at 6:00 p.m. for the purposes of considering the issue of the joint terrorism taskforce.

Fritz: Second.

Adams: Moved and seconded, any further discussion?

Fish: The evening sessions were designed to be family-friendly, this is the evening my wife is out of town and I have two young kids i'm responsible for. I'm not going to hold up this event but it's difficult to manage a first grader and 12th grader at night. I may not be present but if you are trying to make the evening sessions accessible to families and other people, this one puts me in a bind.

Adams: I apologize for that and hopefully we can work through the scheduling issues. Please call the vote.

Fish: No.

Saltzman: No.

Leonard: Well, I wish we hadn't rushed to a vote so quick. Can we back up for a second.

Adams: You can say --

Leonard: I mean, before we vote.

Adams: We're voting. So --

Leonard: No.

Fritz: The motion has obviously failed.

Adams: Yes so -- go ahead and -- we have to vote and try another day.

Fritz: I was willing to do it -- yes.

Adams: Yes. Motion fails.

Leonard: I apologize for that, mayor, it caught me out the blue but having raised young children and helping raise a grandchildren, i'm very sympathetic that councilor's calendars, if we can get together afterwards and have our schedulers work together. This is an important hearing and I apologize for not supporting your motion, but I think it's -- I -- i'm very sympathetic to commissioner Fish's plight.

Fritz: And we do have an afternoon session and we can maybe come back and try again this afternoon.

Adams: Ok. We'll do it.

Fish: I would be willing to move mountains but I have my wife in europe and the kids --

Leonard: Understood. Sometimes we -- yeah.

Fish: Thank you.

Adams: Ok. I also will suspend the rules to move up -- unless there are objection, the auditors item -- which item is that? Is that 388? Where is the auditor.

Fritz: Yes, 388.

Adams: Unless objections we'll hear 388 after we do the consent agenda. Anyone wish to pull any items from the consent agenda? All right. Please call the vote on the consent agenda.

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

Adams: Aye. [gavel pounded] consent agenda is approved. Please read item 388.

Item 388.

Moore-Love: She may have been expecting it to come after the 9:30 time certain. Sorry.

Adams: Let's proceed with the 9:30 time certain. Can you please read the title for item number 367.

Item 367.

Adams: All right. In the past it's been about 23 years that this project has been under consideration by various local governments. And in the past decades, Portland has moved other projects, I think

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we're on our fifth streetcar extension in the city of Portland that's come before this. Our streetcars have helped to leverage \$3.5 billion within three blocks of the streetcars. Including 9600 new housing units and real estate space, the \$3.5 billion in private investment that's above the normal rate of investment \$30 million increase in property tax revenues and an estimated \$50 million in system development charge revenues. This translates into a return of \$11.5 million per mile on a 4.8-mile system. In short, the streetcar has helped Portland create new wealth and new affordability with the affordable housing along its way in our neighborhoods. Today we're talking about the lake oswego-Portland transit project. A planned regional project. It's before us for consideration whether to take it to the next level of analysis. It is not a vote today on whether or not the project should be built but for us to be eligible for federal funding, we have to go through the federal process and in this case, I think serves the project well in terms of outlining -- memorializing the work that's been done and today we'll make a choice on locally preferred option, but we're not voting to proceed with the project until we were information to make a -- we have information to make an informed decision and feedback from the federal government in the evaluation of the right-of-way, to what is the possible -- a better sense of what is the possible funding amount match. With that, i'd like staff to come up to make a brief presentation on the facts. Patrick sweeney, paul smith and doug obletz.

Saltzman: The time to discuss the amendments will be after?

Adams: Yep.

Patrick Sweeny, Bureau of Transportation: Good morning, i'm patrick sweeney, a senior transit planner with the Portland bureau of transportation. With me is paul smith planning manager for pbob and doug obletz, the lake oswego to Portland project manager. What i'd like to do is summarize the efforts to date with a power point and then we can get to testimony and discussion. The process that we're in, and that we're going to be talking about today is we're at the end of a draft environmental impact statement, the project, this phase is part of the project, began in earnest in 2009, the draft environmental impact statement, is on a -- is a capstone of this effort, public involvement and public comment period started in november 2010, wrapped up in january -- end of january of this year. Metro's staff, metro and tri-met, which are the leading -- leading the project, the city of Portland is a participating agency, just to be clear -- received over -- well over 400 public comments during the public comment period. We also received a number of letters in support and endorsement, including north macadam urban renewal advisory committee and bicycle and ped advisory committees and lake oswego advisory committee, lake oswego chamber of commerce on march 3rd. The city planning and sustainability commission endorsed the project and last night, the lake oswego city council endorsed the lpa. What's in front of you today, the lpa, recommends the streetcar mode, streetcar as opposed to doing nothing, the no build. The lpa recommends the streetcar, the alignment option for Portland is the macadam in street option in johns landing. The lpa consideration in front of you today can, and the lpa consideration by other project partners, helps advance the project the next steps. For the next steps, application of -- for a new starts application by the project to enter p.e. However, pbob, in consultation with -- pbob we have recommend recommendations for pre-p.e. work. More due diligence before we come back to you for the fta new starts application. And we want to get a higher level of confidence cost estimate. One idea was to potentially retain stacy whitbeck, who built the streetcars to help them get a cost estimate and bring that information back to city council beginning of next year. When we have that discussion, next year, that will help the city have more information and be more confident about entering the new starts process. Once the fta has a new starts application from tri-met and the city and partners would help prepare that, the fta takes six to eight months to review -- typically, to review a new starts application. So the actual city council decision to enter p.e. Might not be until 2013 and once again, we'll come back and be looking for your endorsement to enter p.e. So all of that, looking at a time -- p.e., and so all of that, looking at a timeline, the lpa is the first step in a

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number of check-ins with city council over the life of the project. We're in 2011, in the beginning with the lpa considerations in front. Us. To be perfectly clear, this does not represent final approval of the project, just recognizing the definition. What the projects, streetcar mode and the macadam in street option for Portland. The lpa in front of you using the publicly owned right-of-way. Purchased for under \$2 million. And that \$2 million investment was part of a long term vision to help the projects to be part of southwest Portland. It's a very constrained in the transportation network and not part of an interconnected grid and there's only a few options for real mobility corridors. Highway 43, i-5, barbur, they carry a lot of weight and smart investments in these corridors are critical. The lpa will help focus higher density development to where it's most appropriate and this is part of city policy, regional recall policy, according to the 2040 plan. Johns landing is a neighborhood in that center, lake oswego in the foothills area is another area that's most appropriate for growth. And also where the services are already located.

Fritz: Does the foothills in lake oswego, is that part of an urban renewal district?

Doug Oblatz: It is not today. Or not all of it is within an urban renewal district but it's under consideration for a future urban renewal district.

Fritz: Thank you.

Sweeny: The lpa in front of you helps to build on the connectivity of the transit network we have in the region. It supports metro's high capacity transit plan adopted last summer and it's a current priority in the plan and the first rapid streetcar project in the region. By that, I mean today's streetcar operates in the street with traffic. This is unique because we'll have streetcar in the dedicated right-of-way and reach speeds faster than it does now and perform a commuting option like the inner urban option that were there 100 years ago. The lpa helps to address the traffic demands, issues we have on highway 43, as I mentioned before, the willamette shoreline represents a unique opportunity. In consideration of all the corridors it's important we make the wise investments in each one of these to make sure we benefit the regional transportation network.

Adams: I apologize for interrupting. We have a subjected update. The jtff resolution will be heard time certain at 2:00 p.m. on thursday, april 28th.

Sweeny: The lpa is the highest ridership option that was studied in the draft environmental impact statement. The streetcar can carry -- oh, 70% higher ridership than the no build option. 40% greater than the enhanced bus option. The lpa also provides fastest service for the highway 43 corridor. The streetcar would have fastest travel times. 33 minute walk between lake oswego and psu. Faster than the enhanced bus.

Fritz: How fast is the trolley.

Adams: The current trolley?

Sweeny: The travel speeds in the right-of-way?

Fritz: Yeah, on the current trolley tracks.

Sweeny: The current trolley tracks, I toured the line, must have been last summer, and because the condition of the track, and the vehicle, it travels very slow. I think it creeps along like three-to-five miles an hour, if that. As I was saying, the streetcar has the -- the lpa represents the lowest operating cost for transit in this corridor. \$1.5 million cheaper than operating an enhanced bus system in 2035. The lpa will work with regional bus network. In a letter from tri-met general manager, quote, tri-met will have more resources to operate services elsewhere in the region with the streetcar alternative than without it. It's cheap cheaper to operate the streetcar, fewer drivers and vehicles that carry more people and that helps lower operating costs than so many buses on highway 43. The draft environmental impact statement estimated project cost range, 2010 dollars \$290 million to \$350 million. The lpa you have in front of you, estimated project cost, 2010 dollars, \$205 million to \$242 million. That takes into account -- the narrow alignment options of the streetcar vehicles needed for the first 10 years and excludes the right-of-way value. As far as the financing and where that comes from, for the city and partners, federal, state and local revenues

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will help contribute to that. \$14 million is what we're estimating is the capital cost to the city of Portland. The \$14 million in part is paid for by a potential local improvement district. In Johns Landing. Potential system development charge, general transportation revenue contribution, includes south portal transit work and very importantly, no urban renewal area funds are planned to be part of the capital financing.

Saltzman: Or general fund?

Sweeny: Or general fund. The value of the Willamette shoreline right-of-way. \$80 million, a significant escalation in value. We can use it as a local match. Between the local partners. \$110 million total local match. The benefits of the Ipa, big benefits in Johns Landing. This is significant for the city of Portland. The first streetcar extension beyond the central city. And it helps South Waterfront almost as much as it can help the Johns Landing neighborhood. It can extend the assessability to a full complement of commercial districts including a grocery store and help to energize the businesses along Macadam. The streetcar can help catalyze a significant amount of development potential. Within three blocks of the streetcar, typically within three blocks is how we look at the influence. 142 acres, 1.3 -- 172 square feet of commercial and a city contribution of \$14 million and will need to be coordinated with the Bureau of Sustainability and the Portland Housing Bureau as part of the Portland plan to figure out a housing strategy to be incorporated with the new development. In terms of what this means to the city, the development potential, we're estimating in the estimates, working with the -- property tax an additional \$7 million annually and estimated SDC revenue, over \$5 million.

Adams: To reiterate, we're not -- we're assuming we will not have -- we're not going to expand the tax increment district or create a new tax increment district and when we talk about payback, it's without a tax increment district.

Sweeny: That is correct.

Fritz: And is based on the existing zoning?

Sweeny: Yes, it is.

Adams: We haven't changed the zoning to transit oriented yet.

Fritz: Are you thinking of doing so?

Adams: Yes, we want to work with the neighborhood to explore stationary redevelopment opportunities and zone being one of the factors we're looking at.

Sweeny: Absolutely. The benefit of the project, importantly, addressing the climate change challenges. The streetcar can help reduce 40 to 42 tons of CO₂ per day. More than the enhanced bus and helps to reduce fuel consumption in the corridor. The streetcar alternative can help reduce the fuel use in the corridor by almost 60,000-gallons a year. There will be jobs created. Potentially by this project. The streetcars will be made in Clackamas County. Made here in the state. Run on our streets. Typically, each new streetcar ordered creates 15 family-wage manufacturing jobs and transit capital construction, as per the draft environmental impact statement create up to 1400, 1500 jobs and estimating the employment benefits from just -- just from the development potential in the new development could be in Johns Landing, another 2,000, 3,000 job. Another really -- a lot of attention will be given to the development side in Portland and the conversations with the -- in the Johns Landing neighborhood about Macadam alignment, but it's important to recognize that south of the Johns Landing neighborhood, the Willamette shoreline right-of-way goes through a quarter of a mile -- from Willamette Park down to Powers Marine. So it's very important to consider parks and Bess will need to be a part of the conversation in making sure that this project will have compatible objectives with parks and Bess objectives to make sure this thing works right for the bureaus in the city. And then, another benefit is neighborhood agreement. Since 1988 there's been a bit of angst, the South Portland neighborhoods and the city council regarding how this event Willamette shore line right-of-way would be used. The Macadam alignment in Johns Landing helps to -- the unused portion of the Willamette shoreline right-of-way has a lot of support to be used for upgrading. The

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pedestrian and bike improvements. North of willamette park, up south waterfront and represents agreement after 23 years of disagreement. So there's a lot of support amongst the neighborhood associations and us. And toward this project. In summary, adoption of the lpa, the estimated project cost, \$205 million to \$242 million. The willamette shoreline right-of-way represents 75% of the local match. It's a huge advantage to us in state and federal funds and the city and project staff are committed to conducting additional work to inform the fta new starts application and come back to you with a full report, we're thinking january 2012.

Adams: I want to for the record highlight part of the content of the letter that's on my website and that I sent to city council colleagues that helps to understand some of the differences in this -- in the development and analysis of this project. This project is actually -- has been led by metro because it's between two cities and unincorporated areas. And normally when we have streetcar projects in this chamber, the city's process is at least so far, neither better or worse, but so far, much of the funding and sort of companion required issues have been vetted or assumed or in place. Because of the nature how this has come to pass, this particular project comes to us for the lpa preference with a lot more work to do than would normally, or at least has been the case in the other five or six expansions that we've had. Not saying one or the other, but wanted to make sure that, therefore, this vote today is much more of a preference and requires much more due diligence than previous lpa preference decisions before the city council. Just want everyone to know that. More? Mr. Smith.

Paul Smith, Bureau of Transportation: If there are any questions?

Adams: Oh, mr. Oblatz, do you have anything.

Oblatz: We're here to respond to questions. I might point out -- as long as I have the microphone. The lake oswego city council voted 4-3 to adopt the lpa and add conditions to their approval and mayor handcuff monday is here to -- mr. Hoffman is here to elaborate but asked for a survey to be conducted in lake oswego and a motion to conduct a public vote, an advisory vote in may 2012. So before we have other people come up --

Adams: Before we have other people come up, amendments that will serve for additional discussions and --

Saltzman: I have a question. Patrick.

Adams: Please. , I think you're the one to address this question to, but I understand the lpa -- locally preferred alternative which moves the streetcar into the macadam right-of-way, from discussions i've heard, that we, the city, would assume maintenance responsibilities for highway 43 at least to the clackamas county line. And I understand there's been correspondence within pbot that talks about the additional maintenance, potential stormwater, culvert issues and needing to get a new stormwater permit with a change in jurisdiction that could be upwards of \$27 million in repair related money, is that --

Adams: We've talked about a variety of options. That could be one option and another option is we maintain it on a contract for them. We haven't settled on -- i've had a preliminary briefing on it, haven't come back to me with -- ask for more information. I think the book end is we take it over and all the liability that might come with it, which pbot is doing a great job on the due diligence on that. And the other possibility it, stays with that portion or a portion of it stays with odot but from a functional point of view, we on contract take over the basic maintenance and they pay us for that.

Saltzman: Where does that decision all get played out so we get an understanding of what --

Adams: That plays out -- that all plays out in the phase -- the next phase? It's not -- it's definitely related but also is a separate decision but i'll bring those to council together and with a recommendation for the least cost option.

Saltzman: Thank you.

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Fritz: I have a question. How much is the expected for the additional preliminary engineering until the next time you come back to council? How much are you going to be using -- and that would be city money to continue the engineering.

Smith: We expect to come to council in July of this year with a request for a \$335,000. To fund the work that was described as pre-p.e., the engineering studies and to narrow the options and the higher cost -- the narrowing of the options in places like South Waterfront, Sellwood Bridge, Lake Oswego, our contribution would be \$335,000 but require action by council to approve the intergovernmental agreement.

Fritz: And which part of the transportation budget is the \$335,000. What else could they be spent on?

Smith: They're in PBO's capital budget. Part of the general transportation money that could be spent on any legitimate transportation purpose anywhere in the city.

Fritz: And who pays the operating costs of the streetcar?

Smith: This is a regional project. Paid by Tri-Met.

Fritz: So I've got some questions how they could manage that without taking away from bus service. And how -- it seems like there's a proposal for parking meters to help pay our share of the capital costs. Has that been flushed out yet?

Smith: That reference is simply to our parking revenues. We have -- I'm sure you've heard the term general transportation revenue, GTR. The state highway trust fund, the revenue sharing that comes through that to us, and then our parking revenues and of those two sources, only the parking revenues can be used for transit purposes.

Fritz: Are you proposing parking meters in South Portland?

Adams: We're not -- I can't emphasize enough, very good and important questions, we need to look at a variety of options. I don't want to assume parking meters. But I wouldn't rule them out either. In terms of operations, the amount of congestion that Tri-Met buses are going to endure on the right-of-way, at least the initial study shows, they're going to have to add bus, the frequency of buses just to deal potentially with the congestion over the years, so having that separated right-of-way is the opportunity. More due diligence needs to be done and that's what the next phase calls for. But in terms of operation, I haven't heard that reality highlighted as much in the discussion thus far. Do you want to add to that?

Obletz: I think one of the benefits of this alignment is that we have capacity in the corridor that isn't being used today and that capacity is the Willamette shoreline right-of-way. By using the Willamette shoreline for streetcar service, we're adding transportation capacity without having to widen the corridor.

Fritz: Not much more capacity in Portland because it's back on Highway 43.

Obletz: That's correct. The most congested part of the corridor is Nevada Street to the south and affects that area in a positive way.

Adams: Sir

Fish: Gentlemen, I thank you for your usual excellent presentation. And -- The power point, you mentioned the opportunities to create housing affordable to people across the spectrum and the Portland plan notes the most significant challenge is low-wage workers in our community. That's what the market is not serving and nationally, the second least affordable market for renters as state. The second. And you described development opportunities and referenced the Portland plan as a touchstone. But because this connects with Lake Oswego, we have an opportunity to embrace the goals said by Metro for regional housing equity. Spread the load regionally. Practically, how will we apply our city goals as to housing choices and the Metro goals to achieve housing choices for range of incomes up and down the line?

Sweeny: The discussion that needs to occur -- and this is a very important discussion, because we're not using urban renewal dollars. So there's -- it's not a urban renewal area for most of the

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johns landing. So no 30% set-aside to help implement the affordable housing options so, that leaves the opportunity to strategically work with the Portland housing bureau and the bureau of planning and sustainability in the implementation of the comp plan update to work on strategies coming up with strategies to incorporate affordable housing units in the development potential and one the reasons why we want it look at and revisit the zoning is with the potential for larger development it makes it easier for developers to pencil out and build in and incorporate affordable housing units in their development project.

Adams: And my goal would be to have the bureau of housing and appropriate bureaus involved in - - if it moves to implementation of the project, moving it forward, to enter into those development agreements.

Fish: Well, may thank you and since one of your slides featured patton park, I think it's worth -- patton place, on interstate, was a deal that tri-met helped leverage, they had the dirt and worked with a nonprofit developer to create a fantastic property. Low-wage workers on the interstate and appears there will be a number of other opportunities for similar partnerships. And if we get to that stage of the process, we will -- [laughter] -- heartily accept the mayor's invitation to be at the table to make sure that a range of housing choices is reflected along the line.

Sweeny: And as I mentioned before, we have to make this project work across all bureaus and Portland housing bureau, especially.

Adams: If it's ok with my colleagues, i'll move some amendments and accept commissioner Saltzman's amendment. A friendly amendment and give you a chance to talk about that. I move on page 4 of 7 of the resolution that the following words be inserted after the comma. Consistent with principles outlined in exhibit C--

Fritz: Which bullet?

Adams: Sorry, the last whereas. On page 4 of 7. So right now it says whereas, adoption of the lpa is the first of many opportunities, it would say whereas consistent with the principles outlined in exhibit c, adoption of the lpa is the first of many opportunities. And then --

Saltzman: I want mine to be freestanding [inaudible]

Adams: Be it further resolved. Fair enough.

Fritz: What's exhibit c?

Adams: Exhibit c is -- where is exhibit c? Right here. Here's exhibit c. You got a copy, ok? The last page has some underline and strikeout and number 2, we'll strike out because it will be replaced by commissioner Saltzman's, therefore, be it resolved. So cross out number 2 on page 3. So I move -- is there a second?

Fish: Second.

Leonard: Moving exhibit c?

Adams: Slight word inclusion on the main resolution and exhibit c minus number 2 in the back. Your amendment will take care of that. To avoid confusion.

Fish: I'm seconding so we can have a discussion.

Adams: Moved and seconded for discussion.

Fritz: Was this circulated before the meeting? Has my staff seen this?

Moore-Love: It was in the tuesday memo. Is it a little bit different?

Adams: Just the underline and strikeout in the back is the only difference between what was circulated on tuesday. And again, number 2 is taken out. So number 3 becomes number 2.

Adams: For those of you listening, what this does is it spells out that complete due diligence on the foothills is expected and in the johns landing area, requires we confirm the value of the willamette shoreline right-of-way which is recognized at a lower value, changes the dynamics of the financing of the project. It sets out some assumptions of the city council, including that streetcar operations shall not be at the expense of transit service elsewhere. Outside of this corridor. And that no general fund or urban renewal money shall be used for the capital costs of this project. And then --

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do you want to explain yours and then we'll do both? Did I miss one? And then it -- if agreement cannot be reached on a regional program, the city of Portland will consider proceeding with a minimum operating segment of the project which could be located in Johns Landing at the Sellwood bridge or in Powers Park Marine and then we also commit that the council will have a report from staff in January 2012. To report on the following tasks that I just talked about. And also further engineering studies to narrow alignment options, developing a work plan for the next two years for consideration. Updating a proposed project subject and refining the cost estimate and updated appraisal and by January 2012 having a conceptual financing plan. The last item in the amendment contained in Exhibit C, the FTA approval of the new starts application and initial rating for the project is anticipated in Spring 2013. The rating will give us a better indicator whether it's reasonable to expect 60% federal funding match for the project and at that point, the council will consider to approve the project by allocating the funding to complete the final environment analysis. In January 2012, the council will have a decision once again whether to proceed to the step after but it's in 2013 if they do decide, in January of 2012, that a final go, no go decision will be made. We're years off.

Fritz: A point of clarification. I'm not sure why we're deleting number 2.

Adams: Because Commissioner Saltzman is going to put it in a resolution.

Fritz: It seems like a lot of information in number 2 that's not in Commissioner Saltzman's amendment.

Saltzman: [inaudible]

Adams: Ok. I withdraw my proposed amendment to the amendment. We're keeping number 2.

Fritz: And my other request, if we can separate out number 6. I think 1-5 are principles I support. I'm not on board with agreeing we are going to look at a Sellwood bridge -- a Portland-only option if it doesn't go forward as a regional project.

Adams: Would the Portland only project still be a regional project or no? Or do we know?

Smith: It could be pursued as a first phase of the regional project.

Adams: You still want it separate?

Fritz: I would appreciate it. I'd like to support the other five.

Adams: Remove six and have a separate vote on that. Karla, please call a vote on my motion, which is again insertion of words in the last whereas and the resolution, and Exhibit C that is as written, except taking off, unless objections, number 6 that, will be voted on separately. Call the vote.

Adopt Exhibit C roll.

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

Fritz: These are necessary safeguards that spell out our intent and I appreciate the careful documentation of that. Aye.

Adams: Aye. I move and just to get this done and then move to Commissioner Saltzman. I move item six.

Saltzman: Second.

Adams: Moved and seconded. Please call the vote.

Move Item 6 roll.

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

Adams: Aye. Approved. Commissioner Saltzman?

Saltzman: Thank you, Mayor. I think the principles you've articulated in the exhibit we just adopted are great. And my concern about this project is -- and, you know, my concern about this project is two, one of is the very high cost associated with it and related to that is not knowing the level of federal funding and not knowing it before we cross, in essence, a point of no return. As recently as last week, in council had to -- this council had to fill a federal funding gap in the Portland-Milwaukie light rail with a development charge and revenue bonds. Up to \$35 million and

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those were unexpected and come from other worthy transportation endeavors and projects that are important to people. So I really believe that we need to know -- it's prudent we be on record that we really want to know what our level of federal commitment is, from the fta, and the evaluation of the right-of-way, which seems like we have one number but it could actually come in, depending on what the enhancement factor is, it could come in as quite another. So my amendment is intended to -- consistent with exhibit c, we just adopted. We want another point where we have a vote where we know more information about the evaluation and get that out of the way and move us closer to knowing what the fta is going to do before we cross that point of no return. So my amendment is further resolve that would go at the end the resolution, be it further resolved that no Portland funds will be used for extensive preliminary engineering before the city council affirms with a public vote that it's confident in the assessed value of the rail right-of-way and has confidence in the federal transit administration's financial contribution to the project.

Adams: Second.

Leonard: I need to ask a clarifying question. When you use the term "public vote" i'm assuming you mean a city council public vote.

Saltzman: Yes.

Leonard: I would like you to have in you wouldn't mind think of a way to make it clearer.

Saltzman: We could substitute the word "public" with "council" vote.

Leonard: I'll second that motion.

Adams: Moved and seconded. Yes. Commissioner Fritz.

Fritz: What does it mean -- what extensive preliminary engineering. \$335,000 or more than that?

Saltzman: The \$335,000, I don't think is really the preliminary engineering but the preliminary engineering is a big ticket expenditure and just in discussions in the last few minutes, I understand we may have to do some preliminary engineering before we get a better sense of what the federal transit administration will do in terms of it's match. But clearly a right-of-way issue with the fed one way or the other in this coming year understanding 2012.

Adams: I think -

Saltzman: Get us as far down as road as we can project, what the fed contribution will be and also get behind us with the right-of-way evaluation will be and then council once again will affirm its commitment or not to do the project.

Fritz: In terms of the time line showed in the power point, when would be the decision point when we would have that vote?

Sweeny: There's a number of decision points. The first of which, when we come back with -- we're calling it the pre-p.e. work I described, roughly january 2012.

Fish: We're going to lose the track the question. I think with all -- the question was at which point, and if you walk us through each of the points we'll lose the clarity of the question.

Smith: The spring of 2013, after we have a rating from the fta. That would be the decision to enter p.e.

Fritz: Thank you.

Adams: Unless there's further discussion, Karla, please call the vote.

Leonard: I have an amendment to the amendment that needs to be voted on first.

Adams: I thought he accepted it as a friendly amendment.

Saltzman: Yeah, I accepted --

Adams: Did you want to vote on --

Saltzman: No.

Adams: Ok. It's friendly amended. Karla call the vote.

Item 367 roll.

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

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Adams: Aye. [gavel pounded] amendment is approved, are there any other motions at this point? Thank you, gentlemen. Can we please -- we only have four people invited to testify. Could they please come forward. Mayor Jack Hoffman. Tri-met director Neal McFarland. Metro City Councilor, Carlotta Collette. And Ellie McPeet, who's the chair I believe of the citizen advisory committee, yes, we'll get you another chair. Mayor?

Mayor Jack Hoffman: I think we have a different order, I think.

Adams: That's right. It's a regional project. Councilor Collette.

Hoffman: It's a regional project, and I have my script.

Carlotta Collette: I'm Carlotta Collette for the record and Mayor Adams and commissioners, thank you for inviting us to testify this morning and as Mayor Hoffman pointed out, it's a regional project and it makes acceptance for me to go first. To talk about the project, why it's important regionally, I'm going to paint a picture of the region and what things it does. It's not unfamiliar for you but for the sake of the audience and viewers. We're not entirely unique anymore, but fairly unique, in this region we have an urban growth boundary and within that, it's our goal to try to concentrate -- a bad word, but put people -- entice people into our downtown so that we can serve them with transit, bike, sidewalks, all of the amenities they like so they don't have a large concentration of people spreading out into the neighborhoods but more importantly, out beyond the urban growth boundaries. We have urban centers and Portland is the best example and you've used streetcars to leverage that kind of -- that kind of residency downtown. Lake Oswego wants to have a similar model. They have an opportunity to develop downtown in a way that people label to live there and the streetcar is -- is pretty essential ingredient in that model. Have you heard earlier from Patrick, highway 43 which leaks -- is the only leak from Lake Oswego to downtown Portland is constrained. ODOT looked at it to figure out if there's a way to expand it. There's cliffs on both sides. It's like a bridge. It would be prohibitively expensive to try and expand highway 43. Seeing that more than 20 years ago, the people in this region wisely bought the Willamette shoreline as a transit route we could eventually build connections along the shoreline but connect Lake Oswego up to the real. That was a smart investment. About \$2 million and we're pretty sure it's worth \$80 million to \$90 million. And you've made prudent amendments to make sure we move a lot of money into this project, that we get a better figure for that shoreline. What is it really worth? It is our local match it looks like an expensive project but because of that local match, it's really quite affordable but we have to make sure that the local match is what we think it is. The other thing that's prudent you've said and the mayor in Lake Oswego adopted the same kind of language, we need to know that development will happen in the foothills area of Lake Oswego. We have to have a sense of the value of that. The preliminary numbers we heard at the steering committee were we would be able to see \$300 million in investment in -- along the corridor. \$300 million more in South Waterfront, around \$300 million more in Johns Landing and another \$300 million more in the foothills. Close to a billion dollars of investment along the corridor leveraged because of the streetcar project. I think it's in the broad perspective, it's an affordable project, it's of regional benefit and I think it's a tremendous opportunity for the city of Portland, the city of Lake Oswego, but also the region, to leverage an investment now an investment made in the past and build a great project. You're going to hear today that the citizens advisory committee was very supportive of the project and close to it and studied it carefully and it's important -- we have the citizen advisory committees because we want people to carefully study the project. The rest of us -- I have to study it because it's my job, but a lot of times, people don't have the opportunity to really look at the numbers and when they look at it, they've looked at it hard. Similarly, the committee I co-chair has watched the project over the past several years and voted with very broad support to support the streetcar option. As you heard again, from Patrick, it really is the most cost-effective option and makes the best use of the right-of-way, it's the option that provides reliable transportation in and out of our communities and we can't really

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get that in the highway 43 corridor with just buses or by doing nothing new. I'm going to turn it over now to the rest of my colleagues, unless you have questions for me.

Alan Lehto: I think continuing with the regional theme, I'm Alan Lehto here on behalf of Neal McFarland. He sends his regrets. He's meeting with the assessability -- first, I want to talk about the project and where we are in the status, I think you've heard during the presentation that at an LPA vote like this, it is pretty standard to have a number of questions go on the table because there are a number of check points along the path of a -- the development of a project. What that means is that it is a choice to go forward, not a choice to actually develop the project, necessarily, but it does mean there will still be some questions that need to be figured out and that's what the very next stage is all about. And it also means it's typical at in this stage for a finance plan to be a concept rather than a hard reality. The -- as each step goes along, the finance path gets refined and the cost understood better and we're able to get more clarity with all of our partners on the project.

Unfortunately, that's the way a project runs. There are too many variables and too much to figure out over time to have everything figured out at the very beginning. I wanted to point out we have successfully pursued multiple projects at one time in the past. I think that's been a question that's come up. We do our best to do so and we've been successful at doing so. That means, for example, pursuing this project or not pursuing this project has no implication for the Milwaukee project which is good about to go into construction for the southwest neighborhood projects and beyond. We're able to pursue both more than one, looking at state and federal funding and there are many other reams that have done the same. Our tri-met board will vote in July on the LPA, but we have not had a -- in July on the LPA, but I'm here to convey our general manager's recommendation that has gone to our board and conveyed in a letter actually quoted in the presentation earlier today that went to the steering committee for the Lake Oswego project. The transportation investments we made in making transit obviously should go to strengthen corridors, main street, centers, and the highway 43 corridor, especially, is as you know, extremely constrained. This is a real opportunity to create a new transit option in this corridor that has no other real options for improving transportation in the long run. The analysis shows over time, the streetcar project appears to be the most cost effective and effective and the best long-term solution for the corridor. That's both in terms of sort of raw transportation benefits and also in terms of the benefits you've heard clearly about development over time around streetcar projects. Both for Johns Landing, and for the city of Lake Oswego. And that the timing of those developments, the opportunity and the planning and the setting the ground for that planning, needs to be lined up with the timing for the project itself so that the things go together. On the financial side and it's a question brought up a number of times, we've been very clear and I think you've heard that tri-met cannot and will not be providing any money for the capital project. For the capital construction of this project. That means that in the near term for the number of years, however long it took to develop a project, if we do go forward, there will be no impact on the services that we provide for the rest of the region, good or bad. No impact. The deis project for the future shows that the demand, as congestion grows and more jobs and employment in the region, the demand is to handle it with enhanced buses costs more than to operate the streetcar because the streetcar has the higher capacity which means it can carry more people and it's operating in a mostly exclusive right-of-way and not fighting that congestion so over time, the projection shows we would have more ability to I don't those funds we would otherwise be putting into buses on this corridor for service throughout the region.

Fish: Could I make a request on that?

Lehto: Absolutely.

Fish: From my emails and the paper, for many people that's counterintuitive what you just said.

Lehto: Let me expand --

Fish: Let me say that for a number of people it's counter intuitive and I would welcome following this hearing a more detailed written explanation that support what is you just said in terms of long-

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term operating costs and because i'm interested in understanding that at a deeper level. For many, that's seems counter intuitive.

Fritz: And I would also like to -- you can reply to us both at once. We're not currently expanding bus service, we're cutting it. How does the cost of operating a streetcar compare with the cost of operating our current system?

Lehto: A couple of things. One, we can definitely get more information back to you over time. It will be based on the deis analysis, the information is in there, but it's probably not presented in a simple and clear manner that you would be looking for. The -- the point I was trying to make is that in any corridor with lots of demand, especially peak demand, a vehicle that can avoid congestion, and two, carry more people, means we have to send fewer vehicles through that corridor to serve the peak demand than if we're doing it with buses. The long-term project sheriff's deputy for this corridor says that the demand is such that we would have to use enough buses so that the more efficient per ride cost of providing streetcar overweighs the fact that streetcar costs more per hour than it does to provide an hour of bus.

Fritz: But regardless, we're currently cutting buses. We have people packed on buses at 9:30 and we're not adding capacity in buses. How does the cost of adding a streetcar with maybe 60 people on it, compare with the cost of a bus with 60 people on it?

Lehto: That brings me to my next point -- I think it does, and check me if I've answered your question. The operating -- the long-term operating cost for this project, we -- you've heard that tri-met recognizes as a regional service we would be providing operating costs for the project, we would not necessarily be able to do it on day one, because our higher priority is to restore the services on our productive frequent receives bus routes throughout the region than to commit to the next project. And so part of the finance plan is to identify whether there is a gap in the operating needs in the first few years, and if so, where the sources for that operating come from. The point being that we recognize and feel very deeply the fact that we're having to cut service in this economic downturn right now and not happy do so and very much want to restore that as quickly as possible and that's a higher commitment or higher priority than providing this new service beyond.

Adams: If I can summarize, my understanding, there are two ways to look at it, but end with the same conclusion, as far as i'm concerned, and that is that we're not going to cannibalize funding for buses outside of this corridor served by the potential streetcar or highway 43? We're just not going to do that.

Lehto: That's correct.

Adams: Two ways to look at it. One is the steady state. Assuming that the congestion doesn't get worse on 43. The projections say it's going to get worse, judging against the anticipated funding for buses on highway 43 ran how much you would save by the streetcar. Or you can assume we're not going to have the additional congestion and does it save money under sort of -- assume we get lucky and the status quo stays the same on congestion.

Saltzman: I thought it was well established throughout the citizens' advisory committee process and the local government committee there was a two-year period that tri-met would not be able to operate the streetcar.

Lehto: That's still or estimate --

Saltzman: You can't operate it any sooner than what year is that?

Lehto: 2019 and that's still --

Saltzman: Finished between doctor before then, which I think it's scheduled to be finished before then, there's no source for tri-met to operate it without taking it away from other services, you said that. There has to be --

Lehto: There would need to be identification of a source for a -- a gap, if that gap continues to remain.

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Saltzman: And is that within tri-met or talking more broadly?

Lehto: I think the project as a whole has a responsibility to do that within the policies -- all of the -- within the policies our board sets and the policies that this council and the lake oswego city council, everybody is creating for this project.

Adams: We're not able to answer that question adequately until we undertake the next stage. But the bottom line is we're not going to cannibalize bus receives or transit receives in other parts outside of this corridor, we're must not.

Lehto: That's correct. We're trying to make it as clear as possible that we're very committed to prioritizing, bringing back that frequency on those frequent service bus routes before we commit to new projects. So briefly, let me try to wrap up here. On the capital costs, you've heard the willamette shoreline land is a real opportunity that brings down significantly the local capital costs required for the project. That is fairly unique in this case and as with all projects, if there's delay, it will never get cheaper, unfortunately, which is why it makes sense to move forward and take the next step to understand it better. Finally, as I said, these projects are a long run, or perhaps a long track, with many checkpoints and many steps and at this point, given the information we have, it made sense to move forward to the next step and continue to refine our understanding and move toward the possibility of taking steps beyond that.

Fish: Mayor, if I can ask one more question. In light of timing and sequence of the decision making do you anticipate tri-met placing any conditions on moving forward that are outside of what's presented to us at this hearing?

Lehto: At this time, I think it's within the same realm of what we're seeing from the city of lake oswego and from the conversations we've had with lake oswego and the time lines up with the project so that we get the twin benefits of marrying the transportation and the development over time.

Saltzman: We've talked about the operating costs. What are the annual operating costs projected to be?

Lehto: I would want to double-check before I run numbers in front of you. But I believe it is -- well, can I look at doug to answer that?

Obletz: 3.8.

Lehto: 3.8

Saltzman: \$3.8 million a year for operation? Thanks.

Adams: And obviously, that's an initial confidence estimate. It has to be --

Lehto: Given the frequency that are needed to supply the demand.

Leonard: Is that net operating cost?

Lehto: That's the total operating cost and then you would then net out fares.

Leonard: I think it's important for us to hear that number.

Lehto: I don't have it right off hand. The number is in the document and we can pull it up probably in just a moment.

Leonard: The true cost would be that, correct?

Fish: Good point.

Leonard: He gave you the costs without reducing -- the fares.

Lehto: The net operating cost, i'm told \$1.25 million.

Fritz: Does that reflect our experience how many people actually anticipate streetcar fare?

Lehto: What we're looking at for both the east side and anything that extends beyond is much more vigorous. Fare compliance, because it's all within -- outside the fare treaty zone, unlike the current system which is mostly inside it.

Adams: Mayor hoffman.

Mayor Jack Hoffman: Good morning, mayor Adams and commissioners. I'm jack hoffman, the mayor of lake oswego. Last night we had a vote and it was a contentious and emotional meeting

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but the city council voted 4-3 to move the streetcar as the locally preferred alternative. At the meeting, I wanted to share with you, I had to make a disclosure because i'm not a full-time mayor on commissioner -- i'm also an attorney. And my law firm has clients and the united streetcar, pge and otec and I had to make a disclosure I had a potential conflict of interest but not a actual conflict of interest apt Oregon ethics commission said it was fine can I could continue to participate. So last night, a 4-3 vote. It was highly emotional and controversial and there was a well-organized opposition to the streetcar and you've been contacted by the organizer of the opposition. And we received a flurry of emails in the last six, eight, 10 days, predominantly against the streetcar as a project. And as that was driving some of us to say we need to reach out to our community to make sure that they're not reacting on misinformation or other -- or lack of information. So that was one of the driving factors for our exhibit b to the resolution what mayor Adams was talking about with your resolution. We're going out and agreed to go out for an advisory vote in may 2012. Not later than may of 2012 and that will give us time to do a number of things and the project time to do a number of things as we talked about. So our concerns, our hesitation is the same at city of Portland so in some respect, the northern portal, you guys, the southern partner, lake oswego, are traveling to the same beat. On the same page. This is a new era, the new normal in terms of financing. Our exhibit b, we want certain conditions done before we make the next step in terms of a vote and we, as the lake oswego city council, want to make sure we understand the value of the willamette right-of-way and we have the strategy for our portion and we complete the foothills framework plan and i'll talk about that and ask for the same studies and report to the council that you all have asked for. So what's good about this project is that the Portland staff and lake oswego staff and regional staff are working closer together as we move down the track on this project and so that's reassuring to me that both of us have the same concerns and moving basically at the same speed. So in terms of the value the transit as we know, we talked about the foothills, in terms of where it is and with respect to lake oswego, but we look at the transit project, the streetcar as reducing congestion, addressing the transit issues on the corridor, the greenhouse gas emission issue and then also we -- I personally look at a -- a number of us look at the streetcar, not as an end in and of itself, but rather as an enabler and looking at it to facilitate development within the foot hill, 100, 120 acres. And right now we're in the process of a framework plan, finished in 2012, and that framework plan will set the stage for the next phase or next decision that the lake oswego city council has to make in terms of moving forward on foothills and I anticipate that the foothills discussion, we've had a number of discussions in lake oswego before, talking about housing choices and talking about providing housing for families that support our school system. Because it's in some respect, following the school systems in Portland, a declining enrollment and that's causing pain and concern and one answer to that is provide the kind of housing and create that the millennials will like to move into and we're sensitive to aging in place. And we have senior citizens in our town and our community that are place -- they can't move out of their home. The other thing that's important is the downtown revitalization. If we believe in the 20 40 program in terms of corridors and in terms of centers then Lake Oswego needs to step up and make sure this downtown continues to be a vital center. So that's what we see in terms of development for foothills in terms of how it adds value to Lake Oswego. We have 2 prior reports that are maybe 5 years old that I anticipate, that as we move through the foothills process, we should dust them off. One is the affordable housing task force and the other is the 50 plus task force. And both of those identify the needs in Lake Oswego for different types of housing types and to respond to the aging population in terms of transportation and housing. So I anticipate that they will inform both our discussion and decision in terms of going forward. And I would anticipate that the council will look at those reports in terms of any development agreement as the next step of the foothills. I see this project, this partnership between lake oswego and Portland as a clear signal to the rest of the region that we don't necessarily have to expand the urban growth boundaries to accommodate the new people coming into the region. We

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can do better along corridors that are existing with the addition of smart, sustainable transit. I see it as creating three nodes that would be connected by the streetcar. The next steps are participate in the preliminary engineering stage and just move forward. The majority of the council wanted a survey, so I anticipate that we'll be working on going the pulse's our community as we move forward in this second step. Part of foothills is in the original lake oswego urban renewal district, and we will be looking at expanding that district and/or adding to it. Those are just part of the financial analyses.

Fritz: Thank you for answering that. If you have an affordable housing requirement in any expansion?

Hoffman: I think that will be a topic of conversation with the council. That's why I referenced the 50-plus task force and affordable housing task force. I think that's a conversation that both as the council and the lake oswego redevelopment agency we need to have with the community, with the adult community center, with this.

Fritz: What would be the timeline be?

Hoffman: The framework plan will be presented in the lake oswego city council in september, 2011, so at that time we will make decisions. Do we accept the plan, do we not accept the plan, accept with it modifications. And then do the next steps.

Fritz: I want to thank you for your leadership. We do need to work together regionally, and you have certainly taken the lead on that.

Hoffman: It's a pleasure.

Fish: Mayor, if I could follow up on the talk about housing choices, as the housing commissioner for the city, I very much appreciate how you framed that. Choices, family-friendly housing to keep kids in the school, aging in place with the graying of our region, vitally important, and you've also identified the need for low-age workers and others, and presumably that's what your after affordable housing task force looked at. I would like to observe that, when former president colette -- you were actually president for a while, so I want to give you your due. [laughter] when former president colette --

Collette: For four months.

Fish: when we had a chance to serve with her -- I think it was during your tenure, although there was no cause and effect -- we learned that we were not successful in our grant application for the sustainable communities grant from hud, which was going to fund a regional big look at housing choices and specifically look at this question of equity. How do we meet the needs? And that's not just dollars. We are strategic. I want to say that this opportunity, it seems to me, around the foothills development and along this streetcar, is not simply a matter of concern to lake oswego and Portland, because without that sustainable community's grant and framework, this allows us, on a smaller scale, to think about housing regionally and making sure that there are choices regionally. Again, that's not just a dollar issue. Sometimes that gets too much attention. That is really also a collaboration issue and figuring out where the needs are and how we collaborate to reach those ends. We look forward to working with you on that.

Hoffman: And I do, too.

Saltzman: I'm just curious about the advisory vote.

Adams: You were chair of what?

Ellie McPeak: The community advisory committee. I think you're referring to the may advisory vote of the council in lake oswego.

Adams: Yes.

Saltzman: Did you discuss the wording of that measure?

Hoffman: No. No, we did not describe the wording of the measure. It was just that we will have a well-defined advisory vote of city residents no later than may, 2012, on the direction the community would like to see relative to transit investments impacting lake oswego. So given the 4-3 split and

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the emotional aspect of this and the highly politicized aspect of this, we will be moving forward to put more details on this.

Adams: Was the nomenclature well-defined? Is that the word?

Hoffman: It was a well-defined advisory vote.

Adams: That'll be a fun hearing to decide on 'well defined'. Thank you Mayor, really appreciate it.

Hoffman: Thank you mayor, thank you commissioners.

Adams: Chair mcpeak. Could you please tell folks a little bit about the process and who was involved and –

Ellie McPeak: I'd be happy to. I'm ellie mcpeak. I chaired the community advisory committee, which was a required part of the DEIS process. I would not tell you how we went about our work, and the conclusion is that we can offer you an advisory vote now that was quite solid in favor of the streetcar alternative, but i'm getting ahead of the story. What was this CAC? As I said, it was required, and the goal was to bring together a small group of really interested people who would be affected by the choice of alternative, people who lived in the corridor, people who work in the corridor, people who have property in the corridor. They were brought into regular and direct contact with the project managers. I think it had value. Who were the members of this small group? 23 people were collected from a pool of 50 volunteers from south waterfront two members, from the south Portland johns landing area five members, including two owners of condos along the shoreline, from the unincorporated area between Portland and lake oswego, five members, three who had property along the willamette shoreline. In lake oswego, seven members representing each affected neighborhood in lake oswego, two downtown business owners, a condo owner in foothills, and a representative of the property owners in foothills. One member from west linn, a woman who commuting regularly by public transportation to osu, and I finally the public transportation alliance. Many of the above, which i've already shown you, had other hats representing transit riders, the north macadam urban renewal advisory committee, Portland streetcar citizen advisory committee, so it was a very diverse group with strong points of view for various reasons. We deliberately had such a membership so that we could feed information to the members. They would react to that information, ask questions, bring to the deis their own additional valuable information. The cac met 16 times beginning in october, 2009. Some of the discussion dealt with cost, traffic projections, population, and ridership projections from experts in the field both from metro staff and from consultants. We had summary meetings where we had an open discussion, everyone attending the january, 2011 meeting speaking about their points of view at that point regarding the three alternatives. I was surprised and wondered what the vote we would make in february would be, and we'll tell you what it was and why it turned out this way from the diverse group of individuals with strong reasons to be involved in this choice. 20 people attended the meeting. Three were absent. 16 voted in favor of the streetcar alternative. Two voted for enhanced bus. One voted for no build. One abstained from voting. So if you take those 16 pro streetcar votes out of the 23 members of the cac, that is slightly better than a two-thirds vote. I would never have predicted that at the beginning. We didn't take a projected vote at the beginning, but the feeling was not what we ended up with, so I was sir priced. I hope you can use this knowledge to help you in your decision. If you have any questions, i'll try to answer them.

Adams: Thank you for your service, and thank you all for being here today. We will extend courtesies of the house to elected officials and former elected officials. How many elected officials do we have? Please come forward. Mayor hammerstead, do you want to come forward, please? Once you're a mayor, you're always a mayor, and you always get courtesies of the house. Shall we begin?

*******:** I would defer to our former mayor.

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Adams: We've heard a lot of pro, so I think it's ok that the mayor, if you don't mind, We'll hear some concerns. Let's begin with you.

Teri Cummings: My name is Teri Cummings, West Linn City Council. I come to you this morning with a concern about the unintended consequences of the streetcar to the citizens of West Linn. I see that in your principle for streetcar operations, it shall not be at the expense of transit services elsewhere. B says, before moving into final design, city council will require additional assurances that the trimet can operate the streetcar alignment without degradation to bus line operations elsewhere. This is predicated on reducing bus services to West Linn. I got on trimet.org to see when I could take the bus here, and this is what it said. There are no trimet stops within walking distance of where you are starting. You may need to use another transit service. That's what it says. I'm guessing that at least two-thirds of West Linn would get the same thing. There is no bus service to our city hall. I have no reason to believe, with this option, that there ever will be. Our bus service will be even worse if you choose it. Right now bus 35 travels through West Linn to University of Portland nonstop. I mean not interrupted, not nonstop. This would force people to get off the streetcar and transfer yet again. This increases the transit time, the inconvenience. It's more difficult for people with disabilities to transfer and wait, and I don't think any transit decision should increase transit users' travel time. It should improve it. This affects people's decision about whether to even use transit. Most of West Linn is on a hill, and it's not likely that we'll ever have streetcars serving our city. We're not the only city with this problem. Oregon City and Lake Oswego also is a hilly area. It would be better served by more nimble bus services. Results of 300 mostly governmental type people chose the best option for carbon reduction strategy today is to expand traffic signal timing to give transit priority to buses at intersections. That is very economical, feasible way to facilitate transportation using the infrastructure. It's a proven method, and it's the most affordable. I also don't think that the development plans for the Lake Oswego foothills area is intuitive. A plot of land between a lake, a river, a sewer plant on floodplain served by a narrow highway doesn't sound like a realistic development opportunity. I'm here to ask you to please focus on the greater good, transit for our entire metro area, and please don't allow unintended consequences of this streetcar to affect our citizens. Thank you.

Adams: Thank you very much. Appreciate your testimony. Ma'am?

Mary Olson: My name is Mary Olson. I'm a city counselor for the city of Lake Oswego. I would like to second what Councilor Cummings just noted about the unintended consequences of this project on our neighbors to the south both in West Linn and the many commuters on line 35 from Oregon City as well. Sometimes those of us who are opposed to this particular project are painted as transit opponents or people who don't like streetcars. Just to give you a little personal context, I grew up in Portland. When I was a kid, I went to Grant High School. We took the bus everywhere, to Lloyd Center, downtown. When I got my first job out of college, working for the city of Portland, I took the about us to work every day from northeast Portland. Later on I lived in Johns Landing and enjoyed the pathways there. I am not opposed to good transit projects that make sense for our region. In fact I think that this project is such a bad idea when there are much higher priorities to improve transit in our region, and that is one of the many reasons I'm opposed to it. This is not the traditional streetcar model. This is a proposed straight commuter line to a suburb. The streetcar model is not meant to be a commuter line. It is a circulator model. You get off. You get on. It's a loop system in an urban setting. In my opinion, it makes more sense to bring it to a dense community that has much worse transit congestion than we do. The highest costs related to this project and the most environmental damage is in the two miles south of the Sellwood Bridge. All the mitigation that would be required, the largest part of the cost and the damage with no development opportunity in that stretch, because it goes through parks in Dunthorpe, I don't know why you folks would not commit your dollars to a regional project that has no benefit. I hope you have all received and taken the time to read the letter from the Audubon Society which very clearly lays out

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the extensive environmental damage from this project. The talk of thousands of gallons of gasoline saved by the streetcar, the savings from running the streetcar, it will take 170 years to get back what is spent to construct the streetcar. Those savings are also predicated on the rather silly idea that we're all going to be using internal combustion engines still by the year 2035 and that our buses won't be either biodiesel or electric by then. You heard the gentleman from trimet say they don't plan to operate the streetcar when it opens, and it has been discussed that our city will be expected to pony up to operate the streetcar at least in the beginning. Neil mcfarland has said that to us. We don't have the money to operate the streetcar. Our neighbors to the south in wilsonville are still budgeting \$300,000 a year for their share to operate west, and that's an indefinite ongoing contribution. Last night, as you know, we had a split vote in our community, even though the Oregonian says we punched the ticket for the streetcar. In fact our vote was really a rejection of the process and the deis. There is so much bad information in the deis that our city council and yourselves had to have a long addendum to spell out what needed to be done to get better answers. An independent audit of the project cost and budget, a verifiable amount allocated to the right-of-way, after years and years of study and \$7 million to get us to this point to try and justify the streetcar, the answers are so bad they need to spend another half a million to try and get new answers. The deis says that this project should engender broad public support. I've never seen our community so opposed to anything, and we do have opposition to a lot of things in our community. This is not our community's vision. It may be metro's vision. It may be your vision. It is the developer's vision, but it's not our citizens' vision. Thank you.

Adams: Thank you very much for your testimony.

Jeff Gudman: My name is jeff gudman. I'm an elected city council member. Gu-d-m-a-n. I am not city center parking. [laughter] overpoliticized is generally the people who are on the other side and used to portray the other people as in disagreement and not valuable or to be value inside their opinion usually. 300 e-mails have been received by the citizens of our community. An equivalent amount of e-mails on one topic for the city of Portland would be 5000. Have you received 5000 e-mails on any topic in a short period of time in your service on this council?

Leonard: Duct tape for the rose parade.

Adams: Jttf. We could go on, but we get your point.

Gudman: I'm sure the duct tape was one. Ok. As a lifelong Portland resident, commissioner Leonard, I appreciate your efforts.

Leonard: Thank you.

Gudman: Public testimony was the Portland equivalent of 1600 people coming to testify, leaving their daily lives to come and testify on a topic. I think it would be fair to say you've never had 1600 people come to testify. And those people testifying were in opposition 2-1. If you want consensus on a project, you don't have it. Of our four recent mayors, including our current mayor, two are for, two are against. This council is split 4-3. I specifically ran on opposition to this project in 2010. Not opposition to transit projects in general, not opposition to bike pathways, walking pathways, road improvements. This one particular project. I am a bit of a policy wonk. I dive down into the detail and then resurface to look at the big picture. Every assumption -- not every assumption. Almost every assumption that gets examined, when pushed upon, gets modified. The amount of development projected, it's been modified down dramatically. When the question is asked, if you reduce the amount of develop many, does that reduce the amount of projected ridership, the answer is no. Those are different assumptions. Nowhere in the deis was that ever made clear. If you don't have the development, you don't have the ridership. If you don't have the projected development, you don't have the incremental taxes to pay for our share of the capital cost. As has been pointed out, the primary, although not the exclusive -- the primary source of paying for the capital cost of this project will be an urban renewal district, an existing urban renewal district which, as you're aware, has certain limitations as to how much debt capacity or maximum indebtedness can be done.

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We have a number of projects that we wish to do that have improved and adopted, although not yet implemented, a list of projects by our city. To do a streetcar, we will have to sacrifice a new library, and I am not prepared to sacrifice a new library on the altar of the streetcar. That is simply not an acceptable alternative. It is about making choices, about understanding you cannot do it all at one particular time and that there are resources. You have heard about the development of community. It is about vision. It is about creating housing options. Whenever I hear someone talking about vision, options, choices, and saying it's not about the money, it's about the money. We cannot do it all. This is not a good project. If the development does not occur as projected, there will be no money to pay for it, and they will turn to the bank of Portland and the bank of lake oswego. You have better things you can do with your money. We have very carefully presented in the presentation from trimet and very artfully chosen in the word about the operating costs. Trimet has made it very clear that, while it is their desire to pay the operating costs of a streetcar, they don't have the money to do it at this point when it's operational, and we will have to find other funding sources. Very careful wording. Other funding sources. I'd like to be specific on that. That means the city of Portland and the city of lake oswego which specifically means you take money away from other needed projects are a you ask the citizens to raise their taxes. Going forward, to get to the requirement of \$25 million, metro has committed six. Nothing in writing, merely verbal, although a statement that they want to commit to six. We are expected in the city to come up with 2.5 million. Portland is being asked for 2.5 million. The state of Oregon is being asked to come up with 14 million. As of three days ago, senator devlin voted that, in the governor's budget that was presented to the legislature, there is no money in the governor's budget for this \$14 million. There might be but, as of right now, there is not. Where is the money going to come from. In closing, the assumptions behind this are soft. Every time you look at the implications of the assumptions when they are changed, the answers provide results which say you can't pay for what you want. Talking about housing options, lake oswego is a wealthy community. No question. What we have in our community for low-income or moderate-income housing, part of the urban renewal district area, that area is being talked about for being upzoned. So when the name after streetcar and redevelopment, we will upzone an area where, for our city, we have moderate to low-income housing and replace it with higher income housing. Does that make sense? I ask you to reject the choice of the streetcar as the lpa going forward. There is not consensus in our committee.

Fish: May I ask you a schedules question?

Adams: I was just going to get to that. Unless there is objection from council, let's just pull council that will take up the rest of the regular agenda at 2:00. Is the auditor in the room?

Fish: Mayor, I have a time certain that was moved already to 2:00.

Adams: So after the time certain? How long do you think your time certain will last?

Fish: Well, we've requested 20 minutes. We'll try to keep it under 30 minutes.

Adams: We also have a 2:20.

Fish: And i'm guessing that 383 -- I know district attorney, mike schrunk, is here.

Adams: Is the district attorney here?

Leonard: He's outside.

Adams: How about this? After we finish with this panel, we will suspend the rules, take district attorney schrunk's testimony, but we'll consider, unless there's another elected official in the house, we'll consider that this afternoon.

Fish: That makes sense. We have 28 people signed up?

Adams: We have a lot. Sorry for the interruption. So if you're here for any of the items on the regular agenda, we will pick those up likely around 2:45 or 3:00, 'cause we have two time certain. We don't want to leave you in the room waiting all that time. Apologize for the interruption.

Mayor?

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Mayor Judie Hammerstad, Lake Oswego: Thank you very much. I appreciate the opportunity to testify before you. This project, as you've heard, has a long history. As it comes to the culmination of this very first phase and looking at more information, you can tell by the testimony that's been given in this panel that there is disagreement, and i'm not here to debate that disagreement. It's very heartfelt and led very effectively by the opposition and their paid lobbyists and our councilors who have been very much involved in the killing of the streetcar. And the points that they make are the points that they make from their point of view, and i'm not criticizing that at all. I think that the information that you had earlier from the people who were presenting from your agencies and people who have worked on this for a long time is probably the information that you really need in order to be able to make your decision. I've been involved in this project for a number of years. I worked with mayor Adams. I encountered it when I was county commissioner and we purchased the line for transit, and then it just laid fallow for a period of time.

Adams: I didn't know you were a county commissioner, really 23 years ago?

Hammerstad: No not 23 years ago. In the early '90s, so I wasn't there in '88 when this really started but when we were giving the money I was there.

Fritz: Thank you for that. [laughter]

Hammerstad: So we knew that at sometime this would be a valuable transit corridor, but we didn't know when, and it seemed to me that was a long ways off, and nothing much was done about it. When I became mayor, the tram became a project, and the extension of the streetcar under psi became much more viable in the extensions. And of course you have proven records on how effective the streetcar is regarding development and as a transit alternative. Look at the pearl and how it's going to happen on the east side. This has been really a diamond in the crown of Portland, people coming in everywhere to look at our streetcar and transit projects. When the tram was being discussed, it seemed to me, as mayor then, that, oh, well, for heaven's sakes, here we would have an opportunity to tie into the regional transportation system. Indeed here we have the right-of-way, and it goes all the way to ohsu, but then of course it also goes all the way around Portland. The next really proven transit project was streetcar, and that's why we started down this road to look at the benefits of streetcar, and that's really when I became acquainted with mayor Adams and looking at how we could get to lake oswego and bringing it down from ohsu and what would be the right alignment. We now have a further discussion on that, and i'm glad to see that the amendments that you made are essentially the same ones that lake oswego made, were recommended by our newspaper and being able to move this project forward and get more information. Doesn't matter how much information we will get. There will be people who are still opposed to it. But I think about the mistakes that have been made in milwaukie and gresham, georgetown, of being against a transit project and then, a few years later, realizing that they needed it, and georgetown of course never got it, and many of their businesses moved out when the subway didn't come there. Milwaukee's project is now costing \$1.3 billion, and it could have cost a whole lot less if it had been done years ago when originally discussed. And that divisiveness even included the recall of the mayor and three city counselors. People have different points of view, and I think we really try to go with the best information that we can get. I look at this as our participating in the 2040 plan and regional plan. We are going to take our share of housing and not disrupt our neighborhoods. We have the land in order to redevelop that, and that's the foothills. Foothills is a prime piece of developable land. We have a park there on the willamette river, a lot of old industrial use right now, and it could provide a variety of housing types for all the reasons you've already heard. It also provides us with an additional tax base so that our city doesn't stagnate and that we don't have to -- we are not going to see a decline in our economy over time. So this is a project that really accomplishes a number of outcomes. From a transit project, the commuter rail project, the redevelopment project, and not interrupting either our neighborhoods or developing outside the urban growth boundary. I look at this as let's go forward. We have three alternatives. No build

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doesn't do it. Enhanced bus doesn't do it. Let's study the one that has the possibility. We may find that it's not possible, it's not feasible or other things in the future that we don't know yet, but I think the council made a wise choice, and your council I would encourage to make the same wise choice of going with the lpa into further discussion and study. Thank you for allowing me to speak, and thank you for your support.

Adams: Thank you all. We thank you for sharing your point of view. I just want to -- go ahead.

Saltzman: I wanted to ask a question of trimet and pbot and I guess doug.

Fritz: A quick question for counselor cummings. Is that position the position of the west linn city council?

Cummings: We haven't had a voted resolution. I think we have possibly one member of our council that is in favor of this.

Fritz: Thank you.

Adams: O.K. so tri-met and - -

Saltzman: Maybe it's Tri-met and PBOT.

Adams: Quickly.

Saltzman: Is trimet committed to operating the streetcar if everything has a green light?

Lehto: We're assuming we are right now. I don't know that I could say "committed," because we don't do budgeting for 10 years.

Saltzman: When is the streetcar supposed to open?

Lehto: Currently I think what's shown in the feis is 2017 so fy 18 for us.

Saltzman: That's not 10 years, is it?

Lehto: I apologize. We don't have a budgeted commitment that far out for operating. We are assuming it in our 20-year forecast right now, which our current budget is based upon. That's the best I can tell you.

Adams: And to be crystal clear, based on your initial forecast as opposed to budgeting, the words we use are slightly different. There is a two-year gap identified today. We don't have two years of funding but, after two years, there is funding that shows up in the forecast?

Lehto: Starting in fy 2019, our current projections show the cost for that service in our budget.

Adams: So we do have a gap.

Saltzman: I know trimet's been in a lot of hurt lately, so I suppose there's probably other service that was in your forecast that isn't any longer. So when do we get an affirmative obligation from trimet board that they're going to indeed pay or want to operate this?

Lehto: The natural place in a progress like this to mail down both the capital and the operating is there are two major steps. One is applying for preliminary engineers, and the other is applying for final design. Final design is where everything really has to be wrapped up. Preliminary engineering, it has to be pretty good but not everything figured out.

Saltzman: So is it reasonable to expect some sort of affirmative at this preliminary hearing stage, affirmative commitment by the trimet board that they are in fact -- that this is in the forecast and they intend to operate it?

Lehto: I don't know if I can answer that directly. We need a clear statement about where that's coming from and where that's expected to come from for the p.e. application.

Saltzman: I don't know if we have anybody from audubon. Have we responded to those issues about impacts potentially on wildlife?

Sweeney: Pbot staff, in conjunction with metro staff and actually convened in a meeting by planning of sustainability commission members, we met in the parks bureau a couple weeks ago when we were developing the resolution in front of you today that helped craft some of the language that's in front of you regarding parks and natural resource areas and those environmental issues in relation to parks lands and also for the bes interest in the corridor.

Saltzman: Was that in the resolution or in the exhibit c?

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Smith: both.

Fish: May I address just that one point for a second? 'Cause it's very important. Commissioner Saltzman is referring to the April 11th, 2011 letter that we received from Audubon. Subsequently a number of these concerns were also raised by the Bureau of Planning and Sustainability Commission members. There are also issues that have been part of the conversation involving Environmental Services and Portland Parks and Recreation and others. Just saw the public's clear, I should say that this April 11th letter is now in the public record, and it does reflect a number of concerns that both the city and advocacy committee has about environmental impacts and mitigation. And the mitigation is the key. These issues were raised with the mayor and the mayor's staff. They are reflected. It is fair to say that, while Audubon has not taken a position pro or con on the streetcar -- and I asked specifically when I was briefed -- they have asked that these issues of impact and mitigation be carefully considered throughout this process, so it's just part of the record and frankly the Parks Bureau and the Bureau of Environmental Services will be following up on the issues raised in that letter.

Sweeney: Correct.

Saltzman: Thanks a lot.

Adams: So unless there's objection, I'm going to suspend the rules. Is the district attorney around?

Leonard: He was in the hall.

Adams: Madam Auditor, would you prefer to know that he'll be up at 3:00 or do you want to continue? We have 28 people signed up. I can give you a certain time at 3:00.

LaVonne Griffin-Valade, Auditor: I think we'd prefer to --

Adams: Works for your folks? Ok. We do not need to suspend the rules. The district attorney who came seeking to support the relevant item 383, we'll hopefully hear from him later. All right. Let's begin with testimony.

Moore-Love: We have 28 people signed up. The first three please come on up. Dick Coulee, Ryan Green, and Chris Smith.

Ryan Green: My name is Ryan Green. I'm here as a representative of the Oregon Paralyzed Veterans of America and our 389 members who have significant disabilities due to spinal cord injury or diseases such as M.S., multiple sclerosis or ALS during their time of service. Out of respect for our members and the veterans in this room, I'd like to state that I personally am not a veteran. I was hired to speak on their behalf and advocate for all people with disabilities. I'm here today asking you to move forward with the project that's being discussed. There are several important reasons why I'm here. Almost 60% of our members are significantly disabled. Many do not have the physical ability to drive independently, and they live in the Portland and surrounding -- immediate surrounding areas. 60% of our membership does. Most of these individuals rely on accessible public transportation to get them to and from their medical appointments either at the Portland V.A. or OHSU, access to healthcare for PVA members and people with disabilities a barrier in transportation as far as getting medical appointments. The V.A. has major parking limitations as well. So even our members that do drive would rather take public transportation just for the accessibility issues. Otherwise they're having to show up extremely early for their medical appointments just to find a parking space. Access to OHSU is also difficult. This project, as far as the way we understand it, would give our members and people with disabilities direct access to the V.A. and OHSU by use of the tram. From our perspective, streetcars are kind of like our individual limousines. Streetcars are quick, reliable, wheelchair accessible. Yes, there is the bus system that works well, but it's costly. There's typically a lot of transfers. You have to show up early and take the time from the drivers to be strapped down and maneuver on loaded buses. We live in a caring and compassionate community. We're just asking for a hand up, not a handout, and appreciate you listening to me today.

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Fish: Thank you for your testimony. On tuesday, april 26th, we hope you can join us at south waterfront, southwest bond and lowell where we'll be doing the groundbreaking of block 49 which is the first affordable housing development in south waterfront. It has targeted two veterans, and it is on the streetcar lot.

Green: Appreciate it, sir. Thank you.

Adams: Mr. Cooley.

Dick Cooley: My name is richard cooley. I'm here today representing the Portland streetcar board. We have adopted the streetcar as a locally preferred alternative, and we urge the city of Portland to do the same. Michael powell and judy hammerstad from our board served on the alternative analysis steering committees. One of the focal points at the shifting to macadam boulevard a piece of the line. That work -- it took a great deal of work and compromise, but ultimately that has led to community support, neighborhood support that I think is very remarkable. That alignment, that commercial alignment through john's landing, allows the development of over a million square feet of commercial space and nearly 1000 rental units. At the same time, the right-of-way along the willamette shoreline that isn't being used there is being preserved for -- to enhance the greenway. The extension to lake oswego is a different application of streetcar with few stops and rapid movement. This segment would hugely improve the capacity of the corridor. The partnership with trimet and lake oswego on this project has really broadened our understanding of streetcar and its role in the region, and Portland streetcar really welcomes this larger vision of streetcar. This project enhances the south waterfront community. It reinforces existing streetcar system by providing greater access and regional connectivity. It leverages an underutilized right-of-way for using high-quality transit. It increases private development both at john's landing and lake oswego. It produces construction jobs for a regional economy. It produces manufacturing jobs at Oregon iron works and promoting growth. For all of those reasons, we urge you to adopt this alternative. I've also been asked by the board to invite the council to enjoy a celebration of the first 10 years of streetcar on august 12th. The streetcar has carried over 28 million passengers in those 10 years. It has established an impressive list of firsts, most recent of which was the first federal small starts grants for streetcars. And we're very proud of Portland streetcar, and please join us in august.

Adams: Thank you, sir. Commissioner?

Chris Smith: I'm going to allow commissioner shapiro first who is in every way my senior.

Howard Shapiro: I resent that. [laughter] i'm howard shapiro. While i'm rarely at a loss for words, everything I was going to utter to you has been said before over and over again. I'm here, though, to validate the vote that the planning and sustainability commission took unanimously in support of this resolution. I noted in the paper a couple days ago that with the price of gas going above \$4 a gallon, fewer and fewer people are going to be able to drive, much less want to drive. And in the spirit of the new word that we've added to our commission, sustainability, we believe this resolution speaks to that. Also it's very important that you know -- and I know you do know this -- that everything we do going forward is measured through the Portland plan and the new comp plan, looking to the future, looking to vision and looking to the possibility of making our community broader and more accessible. And we believe that public transportation, especially this kind of transportation, is the key to all that. So I do just want to add a couple of notes to what has already been said, to commissioner Fish's concern about the mitigation of some of the wild areas, especially the parks, the planning and sustainability committee heard extensive testimony on that and made it clear it's part of our desire to do that. So after an extensive public hearing, which I know commissioner Fritz is familiar with, and four briefings, the planning and sustainability commission voted unanimously to support this resolution with a bunch of bullet points you've already heard before and that we believe very strongly in.

Chris Smith: chris smith, a member of the board of Portland streetcar, inc. I want to talk to three points: How this comports with our existing plans. I want to touch briefly on equity and then of

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course I can't leave without talking a little about bikes and how that interacts with this. This is a link in the regional high-capacity transit plan and, as a regional list, I hope that lake oswego will go forward with foothills and the streetcar, 'cause we'll have a better region if they do, but they have a very important conversation to have in their community about that. There is still a great deal of impact from Portland, a minimum operable segment in the d.i.s. at the sellwood bridge. We could develop that. It would still be a regional project. And this is very consistent with our citywide street car plan. We envision at some point the streetcar will have a chance to take a left turn over the sellwood bridge whether this goes to lake oswego or not. The streetcar in the john's landing area, I would point out that there is lots of development potential within the existing zoning at john's landing. We may want to have the conversation with the community about whether they have aspirations that would lead us to increase some of that potential. Even with no change in the zoning, the streetcar can do a lot to catalyze that neighborhood and enjoy its neighborhood support.

There has been a vibrant conversation going on in the region about allocation between high-capacity transit corridors and frequent service and local buses, and obviously this plays into the issues around that. For me, this is a pretty straightforward computation of that process. In my mind, essentially what we're doing here is applying largely federal capital dollars to upgrade the kind of service we provide in the corridor to one that in long term has lower costs. I'm constantly asking what we can do to reduce the cost of providing services. In the long-term, this means we have more dollars to spend on transit service elsewhere in the region. That's good for equity. There has been an evolution of learning how to make streetcars and bicycles compatible. We were terrible in the first alignment, better in the extensions, better yet on the east side, but we still have lessons to learn. The east side will not make everyone happy. Didn't quite get there on the east side. Lots better but not all the way there. We have put language in the resolution that sets some principles for how we can get there, and I urge you to adopt that, because these are our two best sort of energy-conserving modes. And finally i'll just add that there is a parallel project for multiuse path between Portland and lake oswego. The planning and sustainability very much wants Portland to keep an eye on that.

Adams: Thank you all very much. As an act of compassion for all of us, we will take a seven-minute recess.

At 11:59 a.m., Council recessed.

At 12:07 p.m., Council reconvened.

Adams: city council will come back from recess. Karla, please call the next three people signed up to testify. And I would ask that people to limit their testimony to two minutes. If you absolutely prepared for three we will let you have three but we find, what can be said really well in three minutes can be said even better in two. Welcome to the city council, thanks for waiting.

Peter Sweet: I have a prepared remark. Hopefully i'll fit it within your two-minute limit. My name is peter sweet. I live in lake oswego. I'm a retired banker. I down sized 12 years ago from our house here in Portland, moved to lake oswego. I must admit that i've been very inactive in getting involved in political issues until this project crept up. Mayor hoffman, however, got my attention when he attended a neighborhood annual meeting last spring and gave his justification for the streetcar. His quote was, we want you to have a commuting alternative 25 years from now, and I want my personal legacy as mayor to be the streetcar and the development of foothills. Gradually more and more citizens got involved. The ownership of the right-of-way seems to be the driving force to put this project ahead of more worthy transit projects in the metro area. I personally, being an ex-banker, focused on the claim that the right-of-way purchased in 1988 for \$2 million was now worth more than, as we heard this morning, \$80 million. The first step was to get a copy of the 2008 appraisal from trimet. Initially we were stymied until neal -- mcfarland was asked for a copy

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of it. I was amazed at the methodology. One figure caught me. A stretch of the right-of-way inside elk rock tunnel was being compared to sales of willamette riverfront property and was given a value of \$4 million per acre. This intrigued me. And I turned to the internet, since I wasn't personally familiar with how appraisers value right-of-ways. I found numerous articles, and I called several of the authors to find out more. They confirmed my suspicions that the appraiser may not have used the methodology accepted by courts and recommended by the appraisal institute which licenses mais. A small group of citizens ponied up money to have one of these appraisers experienced in right-of-ways to conduct a review of the 2008 appraisal. The appraisal conforms with the standards. The right-of-way is inadequately identified and no dates are mentioned. Property history is inadequate. Assessed value and tax load is omitted in the zoning section. The appraiser does not mention the rezoning probability that would allow alternate uses. In land valuation, the comparable date taste inadequately described. In the final evaluation estimate, the reviewer found the conclusions to be inadequate and not suitable for trial.

Adams: Sir, i've let you go over your minute. Can you just wrap up here?

Sweet: Sure. Anyway, you get the idea. The appraisal was given a maximum value in order to minimize the cash-outweigh of local match. I don't believe it is an accurate appraisal. I'd be happy to e-mail each of you a copy of this review.

Adams: Thank you. We need to move on. Thank you for your point.

Vern Rifer: Vern rifer. I'm a resident of john's landing and a real estate developer. I was a member of streetcar advisory. John's landing is a very attractive neighborhood on the river with good infrastructure, but for those of you that know it, there was talk today about aging in place. John's landing is a neighborhood that's aging in place. It's isolated from the rest of the city and is viewed as a pass-through clear back from the days of when it was a blank road that went to salem. Highway 43 is a passthrough in that neighborhood. Two things will be needed to revitalize a neighborhood that can be of tremendous service to the rest of the city. One is to convert highway 43 into a main street. That's the primary thing that the neighbors -- the residents of john's landing would like to see improved. The streetcar can do that in a way that no other street system can possibly do. I'd like to talk specifically to the two of you about affordable housing. The kind of density we're talking about in john's landing, those can be built in the range of 60% of the cost of housing in south waterfront downtown and other areas. Therefore we can get a lot more units affordable housing in john's landing because of the kind of density and development that's going to occur there. Most importantly, you have a neighborhood that is supportive of the redevelopment of its neighborhood. They look forward to new buildings, new retail, new housing. So you have two things coming together in a place if we can provide main street and circulation.

Adams: Thank you sir. Beverly.

Beverly Bookin: I'm beverly bookin serving on behalf of the john's landing owner's association which representing 125 condominium owners on the east side of southwest macadam near southwest pendleton. Over time I became convinced that the streetcar is a better option. As a professional land use planner, I believe the benefits are substantial of the proposed one-mile diverse of the streetcar from the willamette shores line onto macadam avenue through the heart of john's landing. With three proposed stations, including one at southwest pendleton, six transit will offer the mixed-use redevelopment along the corridor that long has lagged, improve the pedestrian environment and create opportunities for intradistrict walk and bike trips and will result in 450,000 to 550,000 more riders a year, including commuters from lake oswego and west linn, hoping to reduce, through traffic in our neighborhoods, that really degrades our quality of life. In addition, because of the greater vehicle capacity, annual operating costs of the streetcar estimated to be \$1.5 million a year less than enhanced bus. We're willing to lobby our neighbors for the establishment of a local improvement district to help fund the local share of the project's cost. Moreover, there is growing support to convert the unused portion of the willamette shores line to bike ped

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improvements although such a rail to trail conversion would have to be considered separately. For these reasons, on behalf of my fellow owners in the John's landing area, I urge that the city council approve moving the preferred option into the next phase of study. Thank you very much.

Adams: Thank you all for your testimony, we really appreciate it.

Richard Ross: Medical a member of the citizens advisory committee for Portland streetcar. I served as a facilitator for the streetcar concept plan for all of the southeast neighborhoods and for 22 years I was the lead transportation planner and planning manager for the city of Gresham, so that whole period in which light rail was developed, built, and then implemented in Gresham, I recently returned, just yesterday, from a week in a wonderful trip to the city of Boston which has a rapid transit system that they did not dismantle as Portland did. So we're having to start over and are making a wonderful start with our light rail and streetcar system, but I think there's a lesson there for us. We shouldn't have to do that again. Finally, I think the locally preferred alternative is a good place to start the region's first rapid streetcar outside of the central city. There's strong support for streetcar. Back to the first point, this is a key piece for our infrastructure on both sides of the Willamette river in Portland for the areas south of there in Lake Oswego, Riverdale. A second point is how it helps us begin connecting the pieces. We have two pieces that are committed, the Sellwood bridge and the Milwaukie Max. The next pieces for the streetcar system should be the Tacoma streetcar to connect this project to the Max line and then, from there east, our committee for southeast recommended a Woodstock corridor to connect the lines in South Portland to Milwaukie Max and the 205 Max. Final point, after the 1986 opening of the light rail in Gresham, there were many people who had been critics that reminded us we hadn't done enough, and so they wanted double tracking, better service, parking garages for more park and -- more park and rides. I think these arguments we're hearing this morning are 16 sheer, but they need to think of the big picture. Final point, I think your addendum is terrific because it lays out the logical steps we need to take to explore this promising option.

Adams: Thank you.

R. A. Fontes: Good morning. We have to talk a little bit about what staff presented earlier. Number 1, no build is not, by any stretch of the imagination, doing nothing. The RTP includes \$3.6 million to improve the 35, more than doubling capacity. This'll give us, according to the DEIS, a possibility of carrying 7000 riders through the corridor section, which is four times what we're doing now. The \$1.25 million that Doug quoted earlier was the cost over and above no build. It's not net. It's not the fastest. I rode this morning from Lake Oswego Transit Center to Columbia Street, and it took me 24 minutes. With the streetcar, with the extra walking distance at the south end, with a transfer of this end, it will take 45. 24 minutes bus, 45 minutes streetcar. How in the world does that make it faster? Talking about corridor constraints, when the Sellwood bridge weight limits were in place in 2004, the volumes went down dramatically all through the corridor, not just north but also south, and this flies in the face of one of the DEIS primary assumptions that there's so much demand that the streetcar will only take out 100 cars during the peak commute. There is no latent demand. My wife and I currently use the bus. We will not be able to use a streetcar as much as we use a car and bus. It's not fast enough. And there are other times because of the extra problems at night or because of weather, it's simply easier to use our car. We have no objection to the MOS requiring that you do not require to us transfer. Finally, there's only one alternative, cheapest to build and operate, only one that minimizes congestion, only one that provides the fastest trip format majority of riders. I'm sorry to say only one is no build. Thank you.

Adams: Thank you for your testimony.

Keith Benjamin: Keith Benjamin on behalf of public storage at 801 North State Street in Lake Oswego. The facility is scheduled to be totally displaced if the foothills option of the streetcar alternative is selected. This location serves a vital service and is also an incubator to small businesses and subcontractors. Losing this facility is problematic because there are no other

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suitable locations. Public storage is in favor of transportation projects especially in this area but feel that a good transportation network mean as good business for them as folks are better able to get to their facilities. However, a review of the dis points to very little, if any, improvement in the traffic on highway 43 as a result of the streetcar project. I'd refer to the comments made earlier about the problems the appraisal that were done on the willamette shoreline right-of-way. We would ask that you not move the streetcar forward.

Adams: Thank you, thanks for your testimony, thank you all.

Fish: When the staff comes back, I have a couple questions relating to that about what the options are with the public storage buildings.

Adams: Next three. Welcome. Thanks for waiting.

Owen Ronchelli: I am the chair of city of Portland's streetcar citizens advisory committee, not to be confused with the "project citizen"s advisory committee. I'll try to keep my comments brief.

The streetcar citizens advisory committee are the citizens steward of the streetcar and streetcar neighborhoods. The cac demands high quality transit service from streetcar operations and meets monthly with. Si leadership to ensure that service meets objectives for reliability, safety, for all users. The streetcar cac has been integral to the design of the developments of the existing streetcar systems and will be involved with the evolution of the lake oswego streetcar option if that opportunity is presented to us. The streetcar cac supports the lake oswego option and looks forward to working with the citizens of lake oswego and their adjacent neighborhoods. The cac is eager to participate in the design and development of streetcar and to make sure that it will provide high-quality service for transit users and as an as sit to neighborhoods and communities it serves. Unlike other transportation options, streetcar will enliven the area with food traffic between the stations and make it a more walk cable community, furthering aspirations in the concept of the 20-minute neighborhood. The project will access services and jobs, provide benefits in all locations. The cac urges the council to choose streetcar as a locally preferred option. Thank you for your time.

Adams: Thanks for your service.

Terry Parker: My name is terry parker. I'm a fourth generation Portlander. I'm speaking for myself. This is probably closer to three minutes. The proposed Lake Oswego streetcar is shaping up to be another example of a frenzy of unsustainable spending by local government for the primary purpose of a socially engineered agenda. The boondoggle project, the cost for passenger is nearly eight times that of the fares collected. This type of project is exactly one of the reasons why this country is in a recession. The project doesn't simply pencil out adequately. Travel times are too slow. The project is being ego driven by a reckless obsessive conspiracy of streetcar fanatics. The advisory groups were likely hand picked, given a litmus test of sorts and vetted so they would say yes to the streetcar requisite. The whole process has been manipulated, a stacked deck from the start, a charade devised to dictate to and implement more control over the people. Even with the unbridled extravagant spending, nearly half a million dollars for such a lavish project, the streetcar will only serve a trivial amount of the populace with little to no congestion relief. If the proposed streetcar route takes the long way around, diverted off the private right-of-way and placed on macadam avenue near john's landing, the streetcar will actually make things worse, having a negative impact by creating art official congestion on highway 43. If the private sector took a project like this on using taxpayer dollars, it would be called a racketeering money-laundering scheme. For the bureaucrats, it's an ego trip. Progressive has gone full tilt, coming across as a welfare program for book end developers that must be subsidized with blood money from local taxpayers. Where do the local money trees grow that can be picked and plucked? The streetcar is the wrong way to go. It costs too much. The upfront costs are too high. The daily operation requires ongoing taxpayer subsidy, making the entire concept unsustainable. This biased railroad job needs to be stopped right here and now. The streetcar should not be moved forward or be built. Thank you.

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Adams: Thank you Mr. Parker. Sir.

David Bartz: Thank you, David Bartz, I am a resident of Lake Oswego and I work across the street here and have for 28 years. Please don't approve the lpa. The document you used to communicate with the project said you won't approve it if it's not fiscally responsible and does not have broad public support. You really should not approve the lpa today. It is a decision point today. Some of you are told it's not a decision and the decision is two years off. You will spend \$25 million between today and that decision point. That's not just a decision point. In 2013, I predict, as i've seen this before, we'll be told, well, we're two years down the road. You have to approve it. It is a decision for the streetcar today. P it's a decision for the streetcar. Deis says it's a close call. 400 extra riders on the streetcar at peak hours is what you're buying. 400 people benefit. Seven-minute better ride. That's what it is. I ride the bus from lake oswego to Portland. Not all the time, but I ride it. It works. Enhancing the bus system works. The key to sustainability, we can't afford to throw out new and nifty all the time. Maybe there are some good questions you've raised today about where does the money come from and what's the schedule, but if you approve today 85 -- you've already lost on the streetcar project. Yesterday the "wall street journal" told us why we have to be really careful on relying on government money. Our bonds are now degraded to risky, or whatever it is. It's not a good situation. To just say we'll rely on federal money doesn't make sense. Again, that is not sustainable. Lake Oswego is not Portland. I've worked in Johns landing, I've got clients in Johns landing, I think building Johns landing makes a ton of sense. But stretching this, requiring it to go to Lake Oswego, we've already got a trolley that serves some empty towers, glass towers. We don't need a trolley or streetcar serving empty towers in Lake Oswego. That isn't what Lake Oswego wants. That's why they're a 4 - 3, that's not public support. And we'd encourage you to vote no on the lpa. Thank you.

Adams: What empty towers?

Bartz: The riverfront, South water front, South Macadam, which is struggling. I mean, I'm not criticizing something, it made some sense at the time. It'll probably pay itself off. But to launch forward now - -

Adams: Thank you. I didn't mean to - I just asked a clarifying factual question.

Adams: ... All right. Next three.

Adams: Hornsby and thompson, and did you say stark?

Moore-Love: Stark, opal, callaghan.

Adams: We have movement out there, are you Ormsby?

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

Adams: And you are?

Crystal Wabnum: Crystal Wabnum with OPAL.

Adams: Excellent.

Moore-Love: Brian momsberg. Oh, here's callaghan.

Adams: Oh, Mr. Callaghan. Great. Please begin.

Charles B. Ormsby: My name is charles ormsby. I'm here representing myself and not my neighborhood association this afternoon. I'm opposed to the streetcar, I agree with the arguments against it that has been presented so far. I'd like to add for a cautionary note for the city of Portland, first, be careful and make sure you don't buy into beautifying the tryon creek water plant with Portland ratepayer dollars. It's not likely to occur. Second, the terminus going into lake oswego, I think you're missing an economic opportunity for the city of Portland by not running it on hood and virginia avenues and johns landing area and connecting up with lewis and clark through the south side of the river view cemetery. Trade-offs can occur with the power's marine park. 75 to 150 acres and connecting up lewis and clark college with the Portland system without a transfer I think is a very good idea. For safety questions putting in the macadam railroad right-of-way for the reason being, there's no stopping difficult data for legal matters. What liability are you holding

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yourself out to? Third, there are two blowout points on highway 43 with respect to the streetcar. Elk rock and terry lane. With respect to earthquake conditions. You may have liabilities with that. To the detriment of highway 43.

Adams: Thank you. Ma'am?

Crystal Wabnum: This is my first time speaking in front of this body and I thank you for your patience.

Saltzman: Can you remind us what opal is?

Wabnum: Organizing People-Activating Leaders Environmental Justice Oregon. A community based organization working to empower working class communities and people -- and around justice issues and public transportation is safe, and affordable is a civil right and environmental justice issue. Opal and our bus riders unite leadership team support public transit investments that serve transit-dependent communities. The proposed streetcar project between Portland and lake oswego is none of these things. Portland must reject this project and moving forward in the planning process. On principles of inequality and fiscal responsibility. Like transit authorities across the country, tri-met is experiencing severe budgetary concerns. Tri-met has cut 170,000 hours of service the past two years. Fares have risen over 70% and counting. These cuts and rising fares have impacted transit-dependent communities hardest. Above all, bus riders. Bus riders make up two-thirds of daily boarding's in the region and the bus is still the primary mode of transit that connect economic and social and recreational opportunities. While some of these cuts are due to declining payroll tax revenue, a primary reason for these burdens is tri-met's shift in fiscal priorities, away from service frequency and into excessive capital improvement projects. Excuse me. Current projections placed the local, regional and state match for the street car at \$144 million. These will come from payroll tax bonds and other sources that could otherwise be used for operation. The cost substantial. Instead of investing in more capital projects, tri-met can implement environmentally just policies. 1. Restore frequent lines instead 17-20 minutes for some lines considered frequent. 2. increase the transfer time for single trip fares to 3 hrs. for daily boarding's and through the end of evening service after 7:00 p.m. providing a benefit to transit-dependent riders and 3. fund a youth pass program to provide access to all high school students in the region creating life-long public transit users instead of captured youth who look to the automobile as their escape and 4. fund a low income subsidy connected to the Oregon trails card, or other benefit program, to provide increased access for our most dependent riders who are increasingly opting out of transit in favor of clunkers.

Adams: Are you familiar with 40 -- what is it? 13,000 transit passes for Portland public school high schools? This council has passed ordinances that provided for that. We have more to do but it's a down payment. And you're out of time, Any file thoughts?

Wabnum: Opal opposes this project because it's not equitable and violates civil rights and conflicts with the sustainable service investments. Lake oswego is significantly more white and wealthy than our regional average, and --

Adams: Thank you.

Wabnum: Essentially less capital and more service. Thank you.

Adams: Appreciate it. Thank you for your testimony and being patient and sitting through the morning. Mr. Callahan.

Mike O'Callaghan: Thank you for sitting through the morning. I appreciate the amendment looking for more information and I would question the \$300 million development here and \$300 million development here and almost a billion dollars worth of development and I think that's imaginary. As to option, there are three options and one was no build. No other options were considered. My issue I speak to is narrow. I've been a clean air advocate. My first issues were down here in Portland in the '60s, in fact. But clean air is extremely important to me and that is what this deals with. In part because highway 43 is congested. I-5 is congested and 205 is

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congested. We know what it's like in rush hour. Here's the proposal. During rush hour traffic when traffic at certain places slowed beneath 15 miles per hour, we set up cameras and take pictures of license plates and if it appears more so many times a month, you're sent a bill. As people get the bills and stop driving during rush hour traffic, rush hour traffic can go away and this tax can go away. And the revenue from that tax can fund non-pollution transportation systems and pollution reduction transportation systems. Let's be a mill legislator create I instead of building the i-5 bridge over the columbia river let's reuse traffic. Same with trucks in traffic. They pay too, because if there isn't traffic, their trucks go faster. Here's the basis of the whole process. When we had the oil embargo in the '70, a study done by the university of california at berkeley.

Adams: If you can wrap up conveying your point.

O'Callaghan: A study done by the university of california at berkeley found that deaths in the hospital attributed to lung and heart disease dropped one-third. Ok? One-page study. Ok. Let's improve our air by taxing those who pollute it. Thank you.

Adams: Thank you for your point and thank you for your testimony. Really appreciate it.

Moore-Love: Is there a ryan from salem?

Adams: I think that that was --

Moore-Love: The other gentleman? Ok. Brian momsberg. Jim bollard --

Adams: Thank you very much for your patience in sitting through the hearing. We're glad you're here.

Brian Monberg: Mayor, council, i'm brian monberg, a senior planner with metro. I'd like to talk about regional trails and parks in relation to the project. The recreation and the natural resource goals for the south reap the willamette river, it includes several parks as well as steven's creek and the tryon creek watershed and these are areas of critical natural resources, floodplains and habitat. In addition, the lake oswego to Portland trail has long been a part of the regional trail and that's reflected in the blue ribbon commission for trails and metro's active program and the greater vision for the intertwine. The Portland planning and sustainability commission advised council in a letter dated april 15th to direct pbot to work with the Portland Parks, the bureau of environmental services and the bureau of developmental services to ensure any impact to the recreation and natural resources from the transit project, the sellwood bridge project and the greenway trail, all of those impacts are avoided where we can and where unavoidable are addressed and mitigated. And as we discussed earlier, don hanson and mike [inaudible] facilitated a discussion with metro and pbot and parks, that's part of your packet and transit has agreed to work with metro -- to coordinate the three projects and we're working together in addition to the transit process, Portland parks is initiating a trail and habitat study for the parks in the south reach and metro and partners are initiating a trail design work for south of the sellwood bridge. Thank you.

Adams: Thank you, sir, very much. Hi.

Jim Bolland: Thank you. My name is jim bolland. Thank you, mayor Adams and commissioners. I'm here, i'm the land use committee chair for the lake oswego neighborhood action coalition. An organization loosely -- a private organization of neighborhood reps and citizens throughout the community. Been around for over 20 years. On april 2nd, we passed a resolution as follows: Be it resolved that the membership the lake oswego neighborhood action coalition is opposed to the streetcar over the enhanced bus or no build options and believe that the streetcar opponents have not proven that it's commensurate with the project cost. Congestion will not be significantly reduced and the streetcar does not provide a better transit opportunity. We believe that the development benefits are overstated and unrealistic and believe that streetcar construction will cause irreversible environment damage along the proposed route and unknown local funding requirements for construction and operation of the streetcar will place a significant future burden on lake oswego taxpayers and finally, we believe that streetcar construction and operation will divert financial resources away from important new projects supported by the whole community, school, library

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and police and fire. I want to tell you who I am because mayor hoffman referred to the opposition to the streetcar as a highly organized, but misinformed group. We are highly organized. In the sense that we're just neighbors and citizens and we have used nothing but the numbers presented in the deis. That's what we used to challenge the assumptions in this. Mayor hammersted referred to the opposition to the streetcar as a highly organized group led by a paid lobbyist. I have been a neighborhood chair of the first addition for nine years, five years as the land use committee chair and served on numerous taskforces, cacs, the south requirement crossing. I'm working with three city councilors and representatives of numerous community organizations in lake oswego who adamantly oppose what we feel is a very bad project for our community. We're a community. 37,000 people, who have just finished an over \$100 million project and about to embark on a water project and nobody has analyzed whether we'll be able to pay. How we possibly could pay for our part of this. Thank you.

Adams: Thank you for your testimony. Ma'am?

Lauren Hughes: Good afternoon. I'm lauren hughes can a citizen of lake oswego and a board member for citizen for stewardship of lake oswego lands. Mission of our nonprofit grassroots citizens group is to preserve the beauty and seek to promote fair and scientific approaches to environment protection. Our organization raised many of the same concerns within the april 11th Portland audubon letter and submitted it to the project partners in january. Unlike audubon, we've taken a position against the streetcar due to mitigation issues which in lake oswego seem to involve restrictions on our private backyards. I've read the deis and the technical reports. The epa and d. Interior have commented that the streetcar is the most environmentally damaging option and will require expensive mitigation and Portland audubon provided a letter that the streetcar would require extensive mitigation and despite the mitigation effort, the streetcar will forever change the character of the riverfront. Quote, the west bank of the willamette river between Portland and lake oswego is one the last places on the lower willamette that retains high ecological function and high potential for restoration. The facts of the deis are the -- disturb up to 71 acres and destroy habitat resulting in the death of birds and mammals and other wildlife and fill flood plain and impact the habitat and serenity of several Portland parks and have long term negative impacts on 15 protected species, including salmon and bold eagle. The retaining walls needed will be so high that the animals will be trapped and run over by the streetcar. That's what the deis says, but at average speed of 13 miles an hour, I think the animals can outrun the streetcar, although the turtles may have a problem. It's unlikely even with the coordination strategies and extensive and costly mitigation, that the area can retain the high function it has now. The restoration can be pursued and would be bushel without the streetcar in the area. If you improve the streetcar lpa today, your actions will speak far louder. Every seven to 100s there will be a shameful reminder that Portland helped to trade the little known jewel at the lower willamette for streetcars and condo and plazas like in the south waterfront. This resolution misrepresents the fact. The truth is that the streetcar is proposed to be built in a landslide area with no significant benefits to traffic congestion or emission at the staggering cost of \$458 million. There's no way to mitigate that.

Adams: Thank you for your testimony. Thank you all. Appreciate it.

Adams: Mr. White and cole, welcome back. Thanks for waiting.

Mark White: Thank you. My name is mark white, the president of the powellhurst gilbert neighborhood association. I want to thank council for your thoughtful questions during the session. I appreciated that and while I could make a judgment on the value and importance of the project, i'm not going to do that, but I will just put out there it's likely that federal funding is going to be diminished. There's incredible effort to reduce the deficit with \$4 trillion being talked about. I think It's very real that the amount of federal money available for transportation projects is going to be seriously reduced. So I would like to have council commit to providing an equal amount of staff time and energy and effort toward a streetcar line wholly within the city of Portland and not

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connected to downtown and to get it funded before this line. I believe the transformative value of doing that in some of our areas of the city that are in dire need of economic development will be much higher than something going to lake oswego. Thank you.

Adams: Thank you, mr. White. Mr. Colt. Thank you for waiting.

Pete Colt: I want to say that streetcar -- the streetcar is cute. But I think we're thinking small. We've missed the fourth option, the most environmental friendly and one that the city council would help us in case -- when we have a disaster. One of the things we have in Portland is we're not able to link the east and west side during a disaster and we have nothing on the west side. If we all opted to instead put in a ferry system, starting in Oregon city and heading north to the columbia, what we can do then, during a disaster be able to ferry goods and people across the river and have a really good tourist attraction. People who will want to ride that thing. And we'll have a way to get people to and from work from west linn and from Oregon city, from everywhere along the line. It'll be gentler on the environment and gentler on the river and we can do things with the little rail we still have and I would encourage us to think big and that is that we own rosy and we should explore if we can get a bigger bit and partner with tri-met and the port of Portland because we know the hangup of getting people from hillsboro to the airport is downtown. Mr. Hughes on metro and having come from hillsboro he might get on board but we can include the port of Portland and it's an option we can get money from tigard and Beaverton and everyone along the lines and I happen to agree with gentleman. If we put in a streetcar, we really should do it for people in our town. Like when I read about how we were thinking about taking some of the sewer funds next year for the scholarship, which I love the idea a scholarship, but then going to put them in clackamas county community college, I thought what about Portland, the equity here in our neighborhoods? So I know how we are, we love our streetcars. I am asking you to put this on hold. One more thing. Lake oswego, very low bar. 900 signatures will get this on the ballot in May, from what i'm hearing today and read in the paper, looks like it's going to be shot down in lake oswego. I don't think we should put the card cart before the horse and wait and see what they're going to do.

Adams: Thank you very much. Would council like staff to come back up? I would. I've got questions and i'm going to take the prerogative and get them out first. The money comes in -- we don't know exactly what's going to happen with the federal government and efforts to cut the budget. This would come out of the new starts fund, correct? Or small starts.

Sweeney: New starts.

Adams: New starts. And is that currently funded? Sorry. That's a Tri-met issue. Not this project, a little airing out of that bucket of money.

Lehto: Apologize for the musical chairs here. Right now in the budget that just passed for f.y. 2011, approximately \$1.6 billion available for new starts that fully funds the amounts we're expected to go to the projects in the pipeline now. It's slightly below previous years, going forward, it will be decided in future years.

Adams: In terms of the assessment and valuation, in the end, it's been my experience that the federal government decides, we can show them whatever assessments we've done but in the end they decide how much credit they're going to give for lands, that still true?

Lehto: That's correct.

Adams: That will be in the next phase, we can have more conversations with them, but they decide whatever assessment we have, my experience.

Lehto: Right.

Adams: The -- in terms of what might happen with -- in the johns landing area, what beverly talked about in terms of greenway and the easement that's currently through the johns landing apartments, we haven't talked much about that. Have you had discussion with the neighborhood on their aspirations on? Any more detail?

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Smith: I'll let patrick elaborate if he has more but it's been a topic of discussion for the last several years, when we started taking walking tours with the folks in johns landing and looking at an alternative to staying on the shoreline where it comes so close to the condominiums. That's been discussed along with a lid and I think at this stage, we've had encouragement on both issues from the community.

Adams: And right now, it's interesting in talking to folks that don't live in the johns landing area, there's -- there's like -- maybe because they're tucked behind trees or something, there's significant office buildings in the johns landing area that would be in proximity to the potential streetcar line. Do you know of the top of your head or have it in your slide and I missed it, existing square footage of office space?

Sweeney: What we had was potentially 1. 8 million square foot. Potentially. Didn't have the amount of existing office space in johns landing.

Adams: The city -- again, it's a low confidence estimate but the city's contribution at this point based on what we know and don't know is how much?

Smith: \$14 million approximately.

Adams: And if we -- once it's ramped up, so because we're not a tax increment district, the payback to us and I would want to make investments in, you know, affordable housing, potentially in -- other amenities separately or in conjunction with this, if we made \$7 million a year -- so I understand the math, that's two years we're paid off for our contribution?

Smith: The \$7 million in additional property tax the city is based on all of the development that will occur through 2025 and once it was all built out it would produce that increment in the property tax which goes to all the especially at this times that received the tax.

Adams: So it's less but it would flow to everybody?

Smith: Right.

Adams: Additional council discussion?

Saltzman: The \$14 million is construction cost?

Smith: Right.

Saltzman: What's the soft cost? What are we incurring in our cost? We heard about \$300,000 in the upcoming fiscal year. There was a figure about 25 -- I think david said \$25 million, I think that was more jut Portland but what are the soft costs before we get to that decision go or no go on this?

Smith: Ok, I mentioned earlier that we expect to come back to council in july of this year with an intergovernmental agreement with tri-met that would do that initial work we're calling pre-preliminary engineering work. And the city's share would be \$335,000. That would be your vote in july to initiate that, the cost -- half the cost would be borne by the people of lake oswego. That takes us through that step. We come back to council in january, 2012, with a report with all of that information. And then it would be your decision whether or not you wanted to support the preparation of the new starts application to the federal transit administration. I don't have a figure for that. What that cost is, but I think it might be several hundred thousand dollars. Something like that. So -- and then that work would be done as we said before, that application prepared and submit to the fta. We would have to wait maybe six months for them to respond which they give us a rating and it would have been would be that the point whether to enter -- we would have spent approximately \$1 million up to that point. The figure of \$25 million, the approximate cost of the design of the project. Right? And so that's preliminary engineering and final design. And so we would not enter that period until you made that decision to enter p.e.

Saltzman: Early 2012, we would --

Smith: Preparing and submitting.

Saltzman: We get the rating and under the amendment, is it spring of --

Smith: Spring of 2013, because of the long time for fta to review.

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Saltzman: We would know their decision and when do we put the right-of-way question -- when do the feds say this what we're valuing the right-of-way.

Lehto: It's a -- it's actually a process that goes through over time. For any costs and value, it gets reviewed by a consultant at -- that fta hires during p.e.

Saltzman: So we talked again -- before --

Adams: Before our need it make a final decision.

Lehto: Let me see if this answers it. I think where we're heading is to update an appraisal that will get a newer sense of the cost and then it would be during p.e. That fta typically assigns a consultant basically on their behalf to review everything in the project and that includes costs, appraisals, all of that. And the sort of final go, no go, is whether to apply for final design.

Saltzman: Under the amendment I offered earlier, i'm getting concerned we're not going to know anything by the time we have to -- you know, that's kind of a concern, a theme we're hearing. This is the key vote and from here on out, it's going to be over the next hill we'll get that answer. Just over the next hill and in the meantime --

Adams: Commissioner, you've been through these before and you know it's not quite as bad as that. This one is different since we're not running it, but the point in our amendment has to be held. So that's the direction to staff. You've heard what is -- has been the typical process, but we said we want to know sooner than later and we will go out and get that confirmation sooner than later. I agree with you. I think the fact we have such a large land potential in kind does make this different and I do want more upfront certainty, I think that important. But I don't -- you know, I think that can be done.

Lehto: We have certainly used in kind for previous projects, we haven't had one this large, it's a special case and deserves special attention.

Saltzman: I guess i'm trying to pin down. We have a vote in spring 2013 and earlier this morning, you told us -- one of you told us -- maybe you, mayor, we would have an answer on the valuation prior to such a vote. Now i'm hearing we may have that valuation but it's not clear.

Smith: During the review of the p.e., I apologize this is getting into so much detail. Part of the point is make these projects hard so that only those who are truly committed get them done. During the rating of the p.e. Application they review everything including the cost, we'll get a rating than rating includes a rating on the local financial commitment that includes the in kind so we'll have a very good read of what the likelihood is.

Adams: To decipher a little more. The rating includes the narrative. So if the rating is low or high, it has -- as we have in -- in previous applications, it tells you -- it -- they will tell you what the deficiencies are. If they say your rating is low, you're over-valuing the land, they'll tell us. Over-valuing the land, they'll tell.

Saltzman: Again, that rating comes out when in this process?

Smith: Prior to the spring 2013 decision. Along what you and lake oswego's council call for, a reappraisal of the right-of-way.

Saltzman: I want to make sure when you come back to us that we're going to know about highway 43, whether we're assuming jurisdiction and the costs associated with that.

Smith: You'll have information on that in the report by january of 2012. That work is underway now.

Saltzman: And then at some point, we're going to have a commitment from the tri-met, not simply it's in our forecast, but we're going to operate this way.

Lehto: Right, before we can go forward, we have to make that commitment.

Fish: Mayor, I have a question, we had a gentleman who testified about the public storage and we've got information about that previously. The public storage issue resonates with me because as you know, public storage is -- generally places where small business use them as a back office, to store materials and papers and people either new to this area or downsizing use it to store their

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permanent belongings. Without getting too deep into this, are there options that will be considered that are short of running a line through their foot print?

Obletz: Yes, and let me take a minute, if you're I will dull knowledge me. The deis analyzes the potential displacements along the entire alignment and specifically in lake oswego. In the foothills district there were two alternatives one called the uprr willamette union pacific alignment and the second a foothills alignment. Each has different impacts. The foothills road alignment, the one that potentially requires a displacement of the storage facility, is not very well defined. Essentially 120-foot wide swath that's put through the district in order to analyze potential impacts. It's not based on the design for foothills which we're still waiting for. The deis characterizes the impact as a potential displacement, not a required displacement and a lot depends on how the city of lake oswego designs the foothills district and the proposed extension of foothills road. There's several opportunities to avoid the displacement along the way.

Fish: Doug, i'm assuming as part of the analysis, if you were going to run the light rail through this property, you'd have to condemn and pay fair market value.

Obletz: That's correct.

Fish: I'd like to track that issue going forward.

Obletz: Understood.

Fish: Thank you.

Fritz: I have a question, I think, for tri-met and that's to respond to councilor Commings concern about other -- cummings of the 35 line, having to transfer. Is it proposed that the streetcar would replace the 35 through this section?

Lehto: What's in the deis now is a concept that would have the 35 basically interline with the 78 which is a route to the west side that goes through tigar and beaverton and make that a single seat ride instead of the single seat into downtown Portland.

Fritz: She's correct that riders from west linn would have to transfer?

Lehto: In that area, yes. It's not a done deal anymore the rest of this is but that's what was analyzed and assumed. The idea being there was a loss of a direct connection to downtown and in replacement basically and correction connections to the rest the region, we look at current ridership and i've ever identifies that 12% of the riders on line 35 would have to transfer in that kind of scenario.

Fish: Can I ask one other question? This is to paul. Sometimes around transportation planning we're accused of kicking the can down the road and not making decisions and here we have a hearing where people say make a decision. What you're asking us to do is make a decision but on a very narrow question, the locally preferred alternative, and in which you have in doing so, once we resolve that question, you've told us there will be a number of key decision points down the road which will go to the merits of this and essentially be the go, no go. And that by resolving the lpa question now, we can get in the queue to find out if this is eligible for funding and at what level. You're not asking us to call the question, you're simply asking us to advance to the next phase of analysis.

Smith: That's a very good -- that's correct.

Fish: Thank you.

Adams: Any other council discussion.

Fritz: Patrick, can you talk about the concern raised by pete, and mark white regarding the other streetcar lines? The 122nd loop and the foster road and lombard. How would this affect or not affect those in terms of staff time and potential for federal fund, etc.?

Adams: I'd like it start if I could. Since i've highlighted getting the streetcar out to east Portland and two -- two consecutive state of the city speeches. In addition to the 25-year streetcar master plan, following that, we have spending resources and time and attention and it's exciting. That the possibility of streetcars to east Portland including potential alignment out foster. To ensure that

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would and could work, we've embarked on a number of studies, including redevelopment opportunities along that potential line, and unit whether or not the required density along the line for a streetcar to have the ridership and the trips not taken, benefits whether or not that's the kind of redevelopment that the neighborhood wants or exactly what do they want? It's work that -- and it is in addition to connect the dots, it's related also to our request for information on grocery stores and a variety of other things. So it's a -- it's very important and i'll let you answer the compete question.

Sweeney: Ok. So just so I know, the question i'm answering is about other potential streetcar lines.

Adams: Does it compete with others?

Sweeney: As alan mentioned earlier, the region has a track record of carrying multiple projects on different levels of study at the same time. And I think that in this case, it's not different than that history of being able to do more than one thing at a time. The foster road question is a studies that just -- haven't even gotten under way but we're not consultant selection process as a strategic investment study in the foster and lents area. That's one thing that's underway. In addition, I will be coming back to city council later this summer, if not early in the fall, with a report on the development capacity and that -- how that can be leveraged toward local match revenue for a variety of corridors across the city. That's a informational report for city council that i'll be presenting. And that is for us to get a better picture of how these things actually frame up when you're thinking of applying for small starts grant. In other words, how do we come up with \$75 million to build a streetcar on foster or 122nd or gateway or sandy or what have you. We have a couple of irons in the fire to help -- irons in the fire to get to the due diligence we need to perform to see if we have the right development, the right zoning, the right funding capacity to make these projects successful. We're just getting started on foster. I don't think this project competes or jeopardizes that study and learning more about that project and helping to develop that.

Adams: Pdc has completed a development opportunity study that feeds into the next phase.

Fritz: And mayor, you were in great part responsible for getting the funding for the current streetcar projects we're doing. What's your assessment how often we can go to the federal government and say we want them to fund another 50, 60% of another streetcar line?

Adams: One, they -- they -- we have a good track record with them and that's -- I think, a key part of the response. When we say we're going to have -- done the due diligence and going to have this kind of private sector investment as a result of a transit investment and when we say we're going to have this kind of ridership as a result of the transit investment and when we have a combination of local funding, they like to see lids and sdc's. When we have said we're committing ourselves to not just I hope puts but actually, the result, we're considered one of the better regions for that. That's why it's important to me to also answer your question -- but there's the environment out there in terms of cuts and everything else, that's new and it's part of the discussion. That's why to follow up on commissioner Fish's inquiries, we're not ready to make a decision on this project. I think it shows enough promise on the -- I think it shows promise to move it to the next level of analysis where we'll get a lot smarter than we are now. But i'm not ready to sign off on this project today. All right. Would you please call the vote.

Fish: Well, it's been a long day and I want to begin by thanking our friends from lake oswego for spending half a day with us. [laughter] we actually surprisingly don't have many hearings like this where we have so many people from another county coming and participating and I -- I want to thank everyone for being here and I don't think there's a single person who think you're pawns of a lobbyist or some conspirator. We take everyone's testimony on its own merits and appreciate, frankly, the thoughtfulness of your testimony. The thoughtfulness of your testimony and the care with which it was put together. And I would like to say that every year, I have the honor of hosted at lake oswego high school for what is the most inspiring thing I do, once a year, which is the regional competition called "we the people." hosted that the school and frankly, not only does it

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reaffirm my great faith in our future, I get to meet all of the young people from lake oswego and Portland and other jurisdictions but having spent time in that high school it made me doubly appreciate the investment lake oswego has made in its schools and doubled my resolve that Portland is able to pass a capital bond so we can catch up. Anyway, thank you for your time and presence here. As the mayor pointed out and our discussion clarified we have a narrow question before us, that is to pick -- clarified we have a narrow question before us. They want us to date but say we're not ready to get married and I have a lot of questions and this hearing brought out a lot of questions and what people forget in the zero sum game, at each hearing like this, we're building a record and educating the public and putting down markers and it's a fluid process and I think this hearing served a valuable purpose. Based on everything i've read which includes a -- based on everything i've read, emails and testimony today. I support the proposed locally preferred alternative of light rail and i'm going to vote aye.

Leonard: Streetcar.

Fish: Excuse me, streetcar. But I want to be clear about what questions I will have going forward. , the reason i'm supporting this is that this proposal at least at this stage satisfies my core values. It would allow us to enhance our multimodal transportation system. It continues progress in thinking regionally and frankly, my blood pressure goes up when people come and say we should be an island unto ourselves. The future of our region is all of us linking arms. There's no Portland-only approach. And I believe in passionately in the regional approach in housing and natural areas and parks which is why I support intertwine, that includes regional cost sharing and finally equity and I appreciated the young woman who testified on the question of equity. If that was your first time testifying, you did a great job. Even if I may disagree with some of your conclusions but I had a phone call from former governor barbara roberts, but she called to share her perspective on the project and specifically focused on equity and her point, low-wage workers, older adults and the disables and others deserve the same robust transportation choices as all other folks in our community and for that and other reasons she thought this project met a number of equity goals she held dear. So because it satisfies my basic values i'm going to vote aye but you want to reiterate the questions i'll have going forward. The first and foremost is cost. We've had commitment that is no general fund dollars and no urban renewal money will be pledged to this project. But we also have learned there's some gray area about potential costs and so we'll be looking to scrub those numbers as we come forward and that, to me, will be a key trigger. Number two is impact on the environment. We've had a lot thoughtful testimony on that. I appreciate the work that audubon and others have done and our basic approach at the city is avoid and mitigate if necessary, those could have significant cost factors and i'm going to want to know more about that. And finally, housing. While I wear the hat as the housing commissioner i'm also a commissioner elected city wide so I don't have the luxury of just being parochial around issues but here, I want to highlight a housing opportunity. If we do end up going forward on this, I hope we're sincere in taking our regional housing work and our needs assessment and incorporate them into the decisions we make going forward. Lake oswego has low wage workers who are priced out of the market. They have people experiencing or at risk of experiencing homelessness. They have families that can't find affordable housing. That's lake oswego is like every other community in our region. They have human beings struggling in this economy with what is for many, the hardest, finding housings that affordable. We must think regional about sharing the load and strategically how we collaborate and got to get at way from a zero sum game. The burden needs to shared by a whole region and if we go forward this with this, my pledge as the housing commissioner to work with our friends in lake oswego to make sure we do consider housing choices for all. Mayor Adams, thank you to you and your team. That's as good a presentation we've had on any issue and I appreciate the interactive, the followup. For all of the reasons i've laid out and the amendments we've adopted, I vote aye.

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Saltzman: To me, public transit is a key piece of our region's liveability and i'm proud of the transit system currently in place, as well as the many transit projects and construction design and planning. Streetcars have proven to be catalysts for realize and commercial development -- for residential and commercial developments and reducing greenhouse gas emission. I've exhorted the expansion of the Portland streetcar system and will continue to do so when I think it's a the best option moving forward. I do believe, although the question afforded to us is narrow, is the streetcar the preferred alternative? I believe it's so but I do so with many, many questions about the cost. I mean, a half a billion dollars is probably more than we have spent on every streetcar project combined with the city of Portland and nobody has explained to me why it's so expensive and perhaps i'm government because I didn't have x that question. But it's expensive and fragile and depends on a right-of-way evaluation that goes our way. It depends on a federal government of either to partially fund this or partially fund it at 60%. There's a lot of variables that can change over time and i'm making it clear today my support for this locally preferred alternative is by no means should be construed as support at any cost and I know that streetcar support is inelastic -- inelastic. People will say we've got to do streetcar, we got to do streetcar. But I also know we need to pave roads and build bikeways and make the streets safer for pedestrians and i'm not willing to put on the blinders and say streetcar at any cost. And that's why I put out forward a amendment, that spells out we need more information before we say it's a go or no go situation. For me, it's the preferred alternative, i'm not giving my support to the project until I get those questions and we take another vote, at least in the spring of 2013 and I don't care how much money was spent by then and how much it's manifest debt any that the point, i'm not a support -- destiny. And that includes the highway 43 transfer, associated ratepayer costs of assuming stormwater management for highway 43 and includes the environmental mitigation costs and does include tri-met's being on board. I think with all due respect to tri-met, that was not a robust answer about we're on board with the operating costs and saying we don't do 10-year forecasts, well, I need something firmer from the tri-met board before I can say it's a tri-met and regional project. I don't think the city of lake oswego or the city of Portland should paying operating costs of upward \$3.8 million a year. That's more than we can bear and that's money I don't think we can pay out of our transportation fund. That's probably general fund money. So i'm giving my aye today but also saying I appreciate mayor Adams, your appendice and the -- appendix c and the whole council's consideration. Aye.

Leonard: I'm not sure longevity in office is a good or bad thing. But i've been side effecting long enough, not having this be a first hearing on light rail and alternative forms of transportation. Before I entered elective office in 1993, I remember vividly the debate surrounding the blue line, the light rail line that opened in 1986 and some of the emotion you heard here today was exponentially louder at that time, predicting with no question about it, the absolute failure of that investment in light rail that would go from gresham out to hillsboro. Of course, our experience in the 25 years since that line, has been anything but what the detractors predicted. After I entered the Oregon state senate in 1993, we had special sessions surrounding light rail. Because of voter rejection of projects that were alluded to here earlier by the former mayor of lake oswego that included the recall of the mayor of milwaukie and members of the milwaukie city council. So that you're having a robust debate would not be unusual on this topic but rather it would be quite unusual if it did not down. I will add -- did not continue. Of all the arguments, I heard a unique one. The ferry system. That you, pete, for catching my attention with a new aspect of this debate. But I think the thing that hasn't been spoken to here which has driven this discussion for over 30 years and becomes -- over 30 years and becomes more accentuated as we progress not just a state or country, but as a world, is the defiance of petroleum to conform to our normal ways of thinking in terms of economic models. Gasoline is the only product i'm aware of that defies the most basic supply and demand model that I was taught this economics here at Portland state. Only gasoline can have a lesser demand and then skyrocket in price. There are a number of international reasons

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for that to occur that I won't speak to other than to say if we all haven't gotten to the point now where we understand that building a future that depends even remotely on the use of petroleum products is a foolhardy way to give our world to our children and grandchildren and I for one want to remember that at every opportunity I have is to divorce ourselves as much as possible from petroleum, particularly gasoline which leads to the issue at hand. The locally preferred alternative. That's made clear, this is one step in many that we'll take before item hi deciding to build a -- actually decided to build a lake oswego-Portland line. I have more flexibility than my colleagues about the variables might be in the future because I think we need at all costs understand we have to develop infrastructure, housing projects and other projects for the future that do not rely on gasoline for our citizens either to commute or work or to recreate. This is one of those steps we take. As I said, it's consistent with the pain i've observed and been involved with and each of these light rail projects as they've occurred over the years, i've been involved in public life, I do not expect new light rail projects or streetcar projects to have less pain. Maybe it's a testament to our leadership in Oregon, that we had the vision to step forward. I do think it's a large factor i've done that the immediate players involved in in each of these decisions including my friend mayor Adams. So I appreciate the work that's been done and listened diligently to all sides, but have heard nothing yet that makes me reconsider where we find ourselves in this place at this time in moving forward our community. Aye.

Fritz: I was oppose to the streetcar 10 years ago when it started and even three years ago before I got into office, and since then, i've learned a lot about the capacity of the streetcar as development engine and job creation project. I have been very grateful sitting in traffic trying to get from here to the metro building for impact meetings, traffic exacerbated from the mlk and they've provided good jobs during the recession and going to stimulate development along the streetcar lines and i've supported the funding of those systems and I appreciate the great work staff has done. Patrick and paul and mayor Adams who's been gracious in briefing me on this ongoing and I appreciate the regional partnership with mayor hoffman and I think if I were on the lake oswego council I probably would have voted aye on this. I think it's a great deal for lake oswego and if it does go to downtown lake oswego it will stimulate the wonderful development we've seen along the streetcar line in Portland and be an asset to you will all of lake oswego. But i'm not on the lake oswego council and I don't find some of the arguments compelling. I don't believe that there's sufficient development capacity in johns landing to pay for this. We haven't yet tried to fund a streetcar line that has no part in a urban renewal district and I think that the charges particularly with johns landing and macadam is that it's congested and we know it's not going to be much relieved by the streetcar line should it go in and not everybody wanting to get to johns landing living along the alignment of the streetcar or the willamette shore. There's a lot of folks who live in southwest Portland who have basically taylor's ferry to macadam and then to johns landing. I don't know that we have development capacity currently for the current zoning for do we have the information yet on the future zoning. Mayor Adams is correct in saying if this was a Portland project we would have done things in a active order and have more certainty about the complete development package but we don't. And so I have to vote on the elements I have. I have to say this is a huge jigsaw puzzle and any region in the country that would make it work, it's Portland and our regional partners, we've shown we can manage innovative projects and they've worked out well and that gives me confidence this is going to move forward. I think that the locally preferred alternative -- we've heard about the impact on the bus riders and the concept that people from west linn would have to transfer to the streetcar and transfer at the other end to get to wherever they want to get downtown doesn't seem feasible and I don't support the numbers for the bus and I appreciate opal's testimony in that regard, as far as the whole system. The streetcar is in some ways, the show horse of our public transportation system and the buses the workhorses and we've had too many cuts and the line 78 was mentioned and I took it to get cross town, I will never take it again. It took me a

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long, long time to get from a to b and probably would have been quicker to go out of town and back again. But i'm glad it it's there because some people don't have the capacity to be able to go downtown to get to where they're going. We have limited resources of time and staff and money. And volunteer time. And some of the money, even the money moving forward in this transportation general fund budget, the \$335,000, could -- the \$335,000 could be used for streetlighting and sidewalks and it's a drop in the bucket but we need to be -- the basic services. I appreciate the work done and mayor Adams' continued leader and with the amendments adopted there will be the scrutiny i'm looking for, but regrettably, I cannot support the locally preferred alternative. No.

Adams: I want to thank the staff team that's been working hard on this. Doug and patrick and paul and katherine and tom and our folks at tri-met. I do support moving to the next level of due diligence. This is a project that has had a 23-year-old gestation period. It's not ready to -- i'm not ready to support it, but i'm ready to support it for the next level of due diligence and I think that the -- many of the issues and questions raised are spot-on. I do think it's important, though, for staff -- i'd ask you to put together sort of the a -- whether it's a faq or q and a, like any project where the analysis starts out in one place of accuracy and ends in another. I think it's important to have the latest information. I heard from one councilor, the \$25 million amount and we'll be spending \$325,000 in the next year on it and other governments will be matching that and I want the -- want really clear information, factual information. Where possible. I want to thank the lake oswego city council, all the members for the discussion of this issue, consideration of this issue. I vote aye. [gavel pounded] resolution is approved. We're in recess until 2:00.

At 1:37 p.m., Council recessed.

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Closed Caption File of Portland City Council Meeting

This file was produced through the closed captioning process for the televised City Council broadcast and should not be considered a verbatim transcript.

Key: ***** means unidentified speaker.

APRIL 20, 2011 2:00 PM

Adams: [Earth Day Proclamation] ...Unity and a common cause, whereas earth day was first established on april 22nd, 1970, joining together more than 20 million americans from diverse backgrounds to celebrate one cause the preservation of our planet and whereas the great Portland state university student-led annual festival now in its fourth year endeavors to educate, empower and engage the community to environmental action and whereas in celebration of this important day, the great Portland state university is inviting the community of psu student, faculty, and staff, as well as anybody to participate in earth day, including folks that live down town, or work downtown, earth day festival will be held on the campus park blocks april 22nd, whereas the free public event features student research, representation from student groups, and Portland community nonprofit, local food, local art vendors, demonstrations of sustainable technology and live music, now therefore I sam Adams the mayor of the city of Portland, the city of roses, do hereby proclaim april 22nd, 2011, to be Portland state earth day festival, and encourage all Portlanders to attend. Thank you. [applause] would you like to say a few words?

Hannah Davidson: yes definitely, we've been planning this festival for four months. I'm one of the coalition members. And thank you so much for giving us a little bit of time today. We've been planning for a long time this, event means a lot to us and the university, and so a lot of people put their energy into it and it would mean a lot to all of us if we could get a bunch of community members out to celebrate with us.

Adams: Thank you for your great work. Enjoy. I'll give you this do you want a photo? Ok, everybody.

Adams: All right. Karla, we're back from recess. Please call the roll. [roll call]

Adams: We will proceed. Starting with 2:00, time certain, can you please read item number 389.

Fish: Thank you, mayor, and good afternoon colleagues. I'm honored today to invite special guest to testify and to give us an update on the \$1 million supplemental appropriation that the mayor proposed and the council approved for this fiscal year to address homelessness in the central city. Mayor and colleagues, today you'll hear from director margaret van fleet, shane abma from the Portland business alliance, mark from join, ken from new avenues for youth, and is paul joining us too?

*****: Yes.

Fish: Excuse me, paul malloy, one of the youth served by new Avenues for youth. Before we begin, I want to thank the staff at the Portland housing bureau for their hard work and in particular jacob fox, sally erickson, ryan diebert and jennifer chang, and my colleagues on the council for their continued commitment and compassion as we continue to weather this historic economic storm. Mayor, one of the lessons of this recession is that we in Portland have little control over the feeders that contribute to homelessness and economic insecurity. The collapse of the housing market did not originate in Portland. The broken mental health system is not unique to Oregon. The subprime mortgage scandal was not of our making and the cuts to federal and state budgets that fund critical services did not originate here, and frankly won't be solved here. But they do have a tremendous impact on our community. The lesson we have learn second degree that we must continue to invest in long-term cost effective strategies to help our people through this storm, to move people from the

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streets, to homes, ultimately to self-sufficiency. The \$1 million of supplemental appropriation infused into our system is having significant impact, mayor, to help alleviate bottlenecks, that limited our ability to manage the continuum, and i'm very proud to have our key partners here today to share the result and to give us a brief update. So with that, director van fleet.

Margaret Van Vliet, Director, Portland Housing Bureau: Thank you. My name is Margaret Van Vliet, the director of the Portland housing bureau. I will be brief so that you can hear from our nongovernment partners. I want to reiterate commissioner Fish's appreciation for the support that this council has shown to the issues of the housing bureau, is responsible for in particular sort of addressing the difficult challenges connected to homelessness and housing insecurity. This process that we used a year ago to figure out how exactly to invest a million dollar supplemental was really an excellent example of public-private, nonprofit collaboration. We brought together diverse partners in a way that is not always done, we put our best thinking on the table, we challenged and asked big important questions of each other, and came up with some I think innovative solutions to really target the funds and in an effective way. I'm going to turn it over first to Shane and let him give a little bit from his perspective and then I'll be happy to answer questions if you've had any. But the report is in your materials. Shane, welcome.

Shane Abma: Good afternoon. I'm president of downtown clean and safe and vice-president of the Portland business alliance. The alliance participated in the \$1 million appropriation process last year, both with the initial discussion to set priorities, and the selection committee to choose the recipients of the funding. We were honored to be a part of commissioner Fish's efforts to leverage this -- within the housing system. Addressing homelessness issues is important to the alliance. Not only are we concerned naturally with the health and well-being of these individuals, but we're concerned with the effect homelessness has on the economic vitality of downtown. For that reason the alliance has been an active participant in finding solutions to address homelessness, through partnerships that promote job creation and recovery, and which complement commissioner Fish's strategies to move people off the street into housing. We do this through our connection with organizations such as TPI, Transition Project, and New Avenues for Youth, as well as our clean and safe programs partnership with Central City Concern. Where we employ many once homeless individuals to get them their first job, get them off the streets and get them on the path of self-sufficiency. We are delighted to hear through contact with our partners and those that received a grant funds that these funds have already made a difference. Again, we thank commissioner Fish for his leadership on this effort, we applaud the entire city council for focusing on this issue, and we look forward to hearing about the results of this new investment. Thank you.

Adams: To think you once worked for us. Shane used to be a city attorney and sat over there. Until the Portland business alliance stole him away. We're not bitter.

Marc Jolin: Good afternoon, I'm Marc, the executive director at Join. And we are proud to be the lead agency on a collaboration that's called the permanent housing placement initiative. We have a sizable part of the special appropriation money. The PHPI initiative includes Central City Concern, Cascades Aids Project, Housing Transitions Program, Black Parent Initiative, and the Salvation Army female emergency shelter. Our collaboration is aimed at getting more people off the central city streets and back into permanent housing more quickly, by providing flexible rent assistance that leverages the staffing and expertise of existing homeless service programs in the community. We're just six months into this project, and I have to say all of the partners have really been excelling, we have 107 households who have moved off the streets out of shelter or transitional housing into permanent housing, we've done an additional 30 eviction preventions, so all told about 160 individuals are now in apartments of their own rather than on the streets, in our downtown shelters or transitional housing programs. 22% of the households are headed by women with a history of Domestic Violence, 48% of the households are headed by people of color, and 78% are headed by people with a significant disability. One of the focus areas is on women. And the safe shelter

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together with housing transitions moved 52 women either out of shelter beds or off the waiting list of their shelters over just the last six months, freeing up those shelter beds for other women in the community. And black parent initiative has moved 22 households off the streets into housing or prevent them from becoming homeless. Central city concern has worked the hardest on moving folks out of transitional housing into permanent housing, freeing up those scarce transitional housing slots that have important services attached to them. They've moved 22 households so far out of transitional housing, into permanent housing and have done eviction prevention with another 25 households that would have ended up on our downtown streets. Finally a piece of this project is focused on high need, high barrier individuals who are not a good fit for our shelter system or transitional housing programs, that's where cascade aids project and join have focused. Cascades project helped six people living with aids into permanent housing and join in our partnership with ceic, the pba and Portland police bureau, has been able to help 34 very difficult-to-house individuals back into permanent housing. We're collecting cost avoidance information on all of the folks housing through that piece of the project, that data is still coming in, but I can tell you one of the gentlemen who we were able to house in november had spent the previous 365 days sleeping on a downtown sidewalk, he had in that year had 70 contacts with the police and 22 emergency room visits. He is now in housing and he's only been there a few months, but I can tell you those numbers are going to drop significantly, and more importantly his quality of life has improved dramatically. One last quick example of how this is working, the police bureau, we got a call from officer mike castly who works inner southeast, he had found a latino family, two parents, three kids, sleeping in their car, they hadn't been able to make family shelter work, they were near st. Francis dining hall, he called jarvis allen, an outreach worker, who was able to use this money and his landlord connection to get them back into an apartment within a matter of days. I want to conclude by calling out and appreciating the collaboration with the bureau, with the police bureau, with Portland business alliance and clean and safe and ceic. I think the management support of each of those organizations for this has again important, but it's been the individual officers who have worked one on one with our outreach workers to find individuals they were concerned about who were vulnerable and work with us to help them through that process of getting into permanent housing. So on that I thank you all very much on behalf of our collaboration on behalf of the 160 people who are in apartments tonight, who wouldn't have been without this investment.

Fish: Next up is ken Catery.

Ken Catery: Hi. Our purpose in this program was really three things. To enhance great outreach, to enhance housing opportunities for youth, and employment. Since the program started, we have had 700 unduplicated youth contacts downtown alone. That is a significant increase in previous years. We've also opened two outreach sites at new avenues for youth and outside in, and these are open during business hours, which is again a different form of business for us having a lot more contact with youth downtown. 12 youth have been placed into permanent housing, with the dollars from this program. And what is happening is that as they move into permanent housing, you're opening bed and shelters in transitional house fag silts. That was one of the main objectives of this program, is to relieve that bottleneck. 39 youth have received job training, job readiness training, 16 have been placed into subsidized work experience, and seven have achieved full-time employment. I also want to thank members of the Portland business alliance, this is a group that we first turned to when we got this funding to ask for their help in identifying job opportunities downtown. Since we've started, we have met or exceeded eight of the 11 outcomes that you are funding, and three others are showing great promise. The one we continue to be challenged with is employment. We are in the middle of a recession and our young people are competing for jobs with adults, and it's been challenging, and one of our success stories that we're very proud of and we've always made this a tradition at new avenues, is a young person who went through the program, and has been employed successfully, and that's paul. Paul, do you want to say a few words?

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Paul: I went through the housing program for about seven months. Within that seven months I was able to receive job training. And also a permanent job. I was -- it was lucky limousine bite airport. After I got my job and kept it for about 3½, four months, I got help moving into my own apartment, which was my first. And I still currently have that and my job. I want to see the funding continue, because it helped me a lot, and without it I wouldn't have made it to where I am today. And I know it's going to help other people in the future. So thank you.

Fish: Congratulations.

Catery: We have two other young people here, ramona and zacharias. They've also gone through the Program.

Adams: Let's give the youth a round of applause. [applause]

Fish: You've had terrific results and outcomes already, and if I might just highlight a couple of the you've heard, number one is, the spirit of collaboration. It was not always the case that the Portland business alliance, the homeless providers, the police, neighborhood groups, and other interested parties sat down and did planning together. I won't dwell on that, but it was not always the case. It was not the norm. And this is an example of what happens when everybody gets together and shares their best ideas and insights. Number two, there was nothing preordained about the road map that this group came up with in terms of how to spend the supplemental. I would say that as you might predict, some people came in with a bias in favor of some short-term measures like more shelter beds. Others longer term strategies, people came with good ideas and good intentions, what was remarkable, it -- through the process at the table of discussing how to do something different, to be bold as you challenged us, the consensus emerged that if we were really going to tackle this problem, we had to focus on long-term cost effective solutions. And because it was a one-year supplemental, we didn't want to create a bureaucracy that we'd have to dismantle after a year. And so what became clear was This notion of getting at the bottlenecks. And for those who may not understand the homeless services continuum, in a nutshell, when someone first enters the system, they may come to a shelter which is the next step up from being on the street, but is no solution. From there someone may go into transitional housing where they may get the services they need and some immediate attention but that also may not be the long-term solution. But from there we hope to get people into homes of their own. And from homes of their own, we hope to get them into jobs working for a limousine service or other employers where they can actually pay their monthly rent and become self-sufficient. The notion of removing bottlenecks, this concept which is driving so much of the work that these talented people are doing, was, we didn't necessarily have to add capacity if we eliminated the bottlenecks which created a better flow of people from -- who entered the system and exited the system. And that I think was the genius of the plan that was hatched, and that you've heard from today. Shane is very modest about the pva's role, not only is the pba been a stalwart supporter of our bud clark common, at every juncture, and as my colleagues know this has been a tough project to finance and deliver on, they have been strong supporters of our program to provide storage for homeless people, so people can get their possessions off the street, they Have worked collaboratively with us and everything from sidewalk management to working with commissioner Fritz on alcohol-free zones, and many other issues. In a spirit of collaboration, and as I often remind our friends, in the housing world, I don't ask what brings you to the table. We don't ask what your particular concern is when you come to the table. We ask to you come to the table and help us solve the problem. And they have been conspicuous in helping us solve the problem. So thank you. To ken, new avenues for youth, he told me when I was actually over there cooking breakfast, problem it will last time i'll be invited, the french toast didn't come out quite as I expected, ken said that if he can find 50 jobs this year, 50 jobs, there could be one employer like fred meyer who is already a big participant, adding 50 entry level jobs, it could be someone in the hospitality industry, he'll take 50 people just like paul, put them in a job, subsidize their wages, and he will virtually guarantee an outcome like this young man. So everyone listening

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who has a job that -- all ken is asking for is bit. And to mark, who as my colleagues note does his organization joined at the bulk of the outreach work that is so successful in our community, mark introduced me to a couple not long ago who I think for four or five years lived under the morrison bridge. And they're now reaching middle able, they have some health issues, and other challenges, and they were left to make their way under a bridge. Today thanks to the intervention and join and the city funds, they have an apartment in the mount scott area, they are able to go to the mount scott recreational facility to do exercise and physical activity, and to get back to health, and one of the wife is now on the board of potluck funding. Potluck in the park. Which is the program which serves other homeless individuals a nutritious meal, giving back now that they've found their place. Remarkable work they all do, and it wouldn't be possible without the strong support of this council, mayor, thank you for the vote of support and the million dollar supplemental, and council thank you for continuing to fund the safety net and our charge is to continue to deliver these outcomes. So thank you.

Adams: Good work. Thank you. Anyone signed up to testify?

Moore-Love: No one has signed up to testify.

Adams: This is a report, so no vote. Great. Is it 2:20? Right on the clock. It is. Please read time certain 2:20, item number 390.

Item 390.

Adams: Since 1988, downtown property owners and managers have banded together to fund business district services, including cleaning and security, beyond what the city provides. This district has been known as clean and safe, and has been around for over a decade. In 2001, city council renewed the clean and safe district for 10 years, and added code language to require the city council to hold a public hearing every 10 years to determine if the downtown business district property management license fee of the clean and safe district should be terminated or continued. Today's hearing is to satisfy that code requirement. I want to underscore that the resolution before us today, if adopted, states council's desire to renew the business district and continue the property management license fee for another 10 years. The resolution also raises other issues for consideration. Future conversation and asks staff to work with stake holds to evaluate. So to just underscore, we're not voting to approve the items for conversation, but whether or not we want staff to study those issues, evaluate those issues and come back to us. Those items for potential evaluation at the council's request to staff are expansion of the district, reviewing the license fee formula for condos, and do any housekeeping changes to the code. These issues, once the analysis has been completed, will come back to the council I have a ordinance in july. Now mr. Lannom.

Thomas Lannom, Director, Revenue Bureau: Thank you, mayor. Thomas lannom, director of the Revenue bureau. Joining me are phil kalber, the president of the company, who will discuss the history of the downtown business district, shane abma, the president of clean and safe, back in that capacity, not in his other capacities, who will walk us through some of the efforts, the outreach efforts in order to have this public hearing today, in addition to some of the services that clean and safe provides. Dave williams from the clean and safe board of directors who will discuss the governance of the program, mike reese, the chief of police who will discuss the public private security partnership, david fullmar, a clean and safe employee who will discuss his work in the district and how it has impacted his work personally and skip frank from the board of directors who will discuss the proposed expansion of the district.

Adams: If I could pause you for one second to do a housekeeping item, how many people have signed up for this item? Ok. Please continue.

Lannom: The downtown business district, which I will refer to the clean and safe district, exists to ensure Portland retains a downtown core by providing clean and safe streets for merchants, residents, and visitors. Clean and safe also provides marketing communication and public policy services to its members. The public hearing and Resolution before you today is being conducted in

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accordance with Portland city code chapter 606 which requiring the city to conduct what's known as a sunset review of the downtown business district once each decade. Today's resolution directs the revenue bureau to amend city code to renew the existing clean and safe district authority. This resolution also directs the revenue bureau clean and safe and the office of management and finance toe evaluate the benefits and costs of possibly expand can the district by 12 blocks in the southwest corner. To be clear, we are not voting on an actual expansion today, merely directing the revenue bureau and clean and safe to review the possibility of expansion and bring recommendations back to council for further consideration. The resolution also directs the revenue bureau to review potential cap of district fees for cultural institutions, and a change in the fee formula for condominiums. By by way of process, the code requires that notice be given to all members of the district for any public hearing regarding renewing the district. This requirement was come accomplished by u.s. Mail and additional outreach was conducted by clean and safe. In summary, the outreach is demonstrated that a large majority of district members are satisfied with clean and safe service and want them to continue. Pursuant city code, two remonstrances were received by the auditor by district members, Together they represent a little over 2% of the 4.6 million dollars collected in the district. Renewing the clean and safe district is entirely consistent with the draft Portland plan and the city's economic development strategy around enhancing distinctiveness and vitality of the central city. Renewing the district confirm the city's long-standing commitment to ensuring a clean, safe, vibrant downtown. The bureau recommends that the council pass today's resolution so work on the ordinance to renew the existing district can begin. And now i'll turn it over to phil who will discuss the history of the district.

Phil Kalberer: Thank you mayor, council. Phil kalberer, president of kalberer company. A history about this clean and safe program. It's good to say why it was create and how it was created, I was on the original committee that put it together in 1988, so I must have been about 10 years old at the time. 1988, the city of Portland was in a very deep recession. And the clean and safe program was conceived as a response to problems everyone saw in the downtown core area. The perception, whether real or imagined, that the city was not safe, not clean, and not accessible. The city racked by declining revenues did not have the resources it wanted to put to address these problems. Consequently, the association for Portland progress, the forerunner of the pba, took on the formation of an economic improvement district to address these issues. The economic improvement district was actually a new tool created by the Oregon legislature in 1985 to address economic issues rather than the typical lot improvement district, or lid, which deals with issues of infrastructure, utilities, and the like. And the idea in Oregon here in Portland was the first in the country to address the issue of cleaning security and marketing of a downtown area. The proposal for the first eid was for \$1.67 million which was an assessment of approximately \$1.33 per thousand of assessed value, and this was for a three-year period. Geographically there were 170 square blocks, now we have I believe 213 square blocks. How easy was it to get started? What was amazingly easy, because property owners, retailers, the banks, the institutions, the financial institutions, are very frustrated at how downtown looked, doug was the chair of our committee, he put together an informal informational breakfast in which over half the assessed values were represented in the room. Within about six days we had over 50%, and we had almost 80% by the time we finished in terms of those who petitioned, not just did not remonstrate, but petitioned that this take place. Was the city reluctant at the time? Probably a little bit, but that was basically because the city felt like it shut be doing these Things rather than having property owners self-assess them. So how did it work out in the first budget, there was about 55% allocated to eids and security, 15% cleaning, 15% marketing, and 15% to admin and recruitment and retention of businesses downtown. We had immediate effects and results. In the first year the incidents of harassment were down 15% in the city, in the downtown area, while overall in the city they were up .5%. Incidents of violent medical problems were down 25% in the core area. Prostitution down

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23%. Vandalism down 4.5%, whereas the city as whole it was up 12.8%. Cleaning is a very important piece of this whole thing. Thousands of pieces of graffiti were taken down and the first year 47,000 55-gallon trash cans were hauled away. The cleaners are all in alcohol and drug abuse treatment programs and recommended by downtown social services. So instead of living on the streets, they were cleaning them, instead of being part of the problem, they became a significant part of the solution. And that holds true today. So the system evolved. It was renewed for another three-year period, then measure 5 set in and for a couple years it was on a voluntary basis, though there was very little slippage in the revenue that came in, even when it was totally voluntary. Because most understood the importance of the program. So then we came back and have a different type of tier assessment, and as you know, it was renewed 10 years ago. So woe fast forward now and look at the budget today. The goals are the same, though it is now a \$4 million project instead of a \$1.67 million project. The goals are for cleaner, safer, more active downtown for people to live and work in, in an environment that encourages shoppers and visitors alike. And the goals are the same. We use those coming out of alcohol and drug treatment programs through central city concern, to do the cleaning of downtown Portland. We have added a lighting program and the like, but basically the bid tote is 2½ times the size it was in 1988, and again, security is about 59% of the budget, although more of it is more toward place and less toward the guides we have at the time. Cleaning is about 23%, holiday light ball game 13%, and marketing and retail about 5%. What are the results? I have two will show you what takes place on a typical month. We ask you to look at this and say, what would Portland be like if all of these issues were not addressed? What would Portland be like if we did not have the bid? We ask you to renew for another 10 years a program which has been resourceful, successful, and important to all those who live, work, and visit Portland. Thank you.

Adams: Thank you.

Shane Abma: Good afternoon, my name is Shane, i'm president of clean and safe. Our board vice chair, dave williams, will talk to you in a minute about how the board crafted the budget and prepares a work scope plan for city review. Before he does, so I wanted to give a quick overview of what clean and safe funds and the outreach we did as part of the review process. For funding, clean and safe funds 14½ private security officers hired through Portland patrol inc. and two supervisors. We fund three Portland police bicycle officers and the city throws in a fourth. Those bicycle officers are dedicated to just the downtown clean and safe district. We fund cleaning crews and equipment that provide cleaning services from 6:00 a.m. to 9:00 p.m. Daily, this includes your normal routine routes of just picking up litter, trash, removing leaves from drains, but also specific projects like power washing and that sort in the evening whenever there are big spills. We also fund the holiday lighting program, which is the largest holiday lighting program in the united states. Over 700 trees in 63 blocks for about three months. We fund the sidewalk ambassadors, the individuals you may see downtown helping tourist and residents alike in their distinctive green uniforms. We fund the downtown retail advocate portion, at least we share a contract with pdc and the city. We fund several downtown retail Marketing endeavors, including the dining guide, the business census and survey that we take a survey of all the businesses in the i-405 loop, downtown development report, and then we provide overall retail support. We also fund a community justice program, including a community service coordinator, community service crew leader, and a theft accountability class. The community service coordinator is that community court and when someone enters with a livability experiment we've been charged with that, they have the option of community service. We understand that position so we can get that organized and we fund a crew leader that takes them out and does extra cleaning on top of the cleaning services that we already provide through central city concern. By the way, I need a backup and say our partnership with central city concern is one much those that i'm most proud of, and the clean and safe program is most proud of because we hire those who were formally addicted, formerly homelessness, and we

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give them job training skills so we can get them off the streets. And we fund the downtown deputy attorney assistant position to allow data input so our downtown deputy district attorney can get out into the neighborhoods. Now I want to discuss the review process and outreach efforts leading up to today. City code mandate this hearing every 10 years. We saw this as an opportunity to get valuable feedback from our stakeholders and the fee payers on how we're doing. What are we doing right, what can we improve on, how can we innovate and adapt. So last year the board of directors hired galton public affairs to conduct outreach to the payers and the tenants, the businesses, employees, within the district. As part of that process, galton held three stakeholder meetings. The first in the southern portion of the district, the second at the downtown retail council, which is in the heart of the district, and the third stakeholder meeting was in old town-chinatown. We were fortunate to have mayor katz lead those efforts given her experience and her history with this district. The report is exhibit a to this resolution. What we learned is that there is widespread satisfaction with our services and how we provide them in the district. However, as with most programs, there's also room for improvement. First, the growth of condos has transformed the southern end of the district. Indeed, while the code continues to call it a business district, we need to be cognizant of the fact the district today is much different than it was in 1988. We will continue to focus on livability issues and that may mean reevaluating our security coverage hours to look at possible nighttime patrols, especially in the southern district. Second, we need to better communicate our services not only to the property managers to pay this bill, but to those businesses, employee and residents within the district-to-who may not be direct payers, but who certainly can utilize and benefit from our services. In the coming year we'll roll out a communications plan, and we're discussing things like e-alerts via text or twitter, an enhanced website, possible facebook page, perhaps a smart phone app that would allow those within the district to report cleaning and security issues in real time. In short program works remarkably well. We in turn use this 10-year review point to reevaluate our allocation of resources to reflect a changing and growing downtown. And to best provide our services to those who live, work, and play within the district. And with that, I'd like to turn it over to dave williams to discuss the governance on the board of directors.

Dave Williams: Thank you, and thank you mr. Mayor, commissioners. My name is dave williams, vice chair of the clean and safe board. But in the daytime I'm vice-president of our utility services over at northwest natural. I'm one of those people that not only works in the downtown area, but I'm also a person that lives in the downtown area as well. So it's really -- I'm very proud to take an active role in helping direct the clean and safe work. Let me tell you about all of the directors of the clean and safe board are the stewards of roughly 4.5 million clean and safe as you saw earlier. For this reason, I want to highlight safeguards we have in place to ensure money is spent wisely and it delivers the services demanded by the city and the counsel to town property owners, managers, employees, and residents. We also have representatives from the city serving as ex officio members. Pursuant to the city code, the clean and safe board of directors is primarily comprised of property managers and property owners within the district. Two years ago we added a condominium representative to the board after condos were added to the district. The board and the executive committee alternate meetings every other month each year in May, the executive committee crafts a budget for approval by the entire board of directors. The board determines how to allocate the fees to the services, such as security, cleaning, holiday lighting, downtown ambassadors group and the like. With the ultimate goal being to address the concerns and needs of those within the district. Each September we provide the city with a detailed work plan, in addition, each year an independent accounting firm audits clean and safe, and those audit reports are sent to the city for its review and approval. The work plan and audit representatives provide necessary safeguards on how this money is spent. But this program has an even more valuable safeguard. In any given year, fee payers representing just 33% of the fees can remonstrate the end of the program all together. It is the ultimate safeguard. It's perhaps extraordinary that in this economy during a once in a decade

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city council review year, only two of the 577 payers remonstrated the year asking the end to the program. That is the lowest number anybody can remember. We believe this speaks volumes about this program's success and confidence the payers have in how the money is spent and what services are provided. For these reasons, I ask the council to extend the district for another 10 years. Thank you.

Adams: Thank you all very much. You have one more?

Moore-Love: We have the chief of police, and mr. Franklin.

Fish: Are we going to change the screen, madam clerk? Chief reese? Welcome back to the council chambers. Chief reese, would you like to begin?

Chief Reese, Police Bureau: Thank you, mayor. And members of council. I will be very brief, I wanted to speak to you about the connection between the Portland police bureau and downtown clean and safe. We have had a great relationship and unique partnership and what i've seen in my years as central precinct commander as well as the chief of police is a very collaborative approach to the issues facing downtown Portland. We have business leaders, social service providers, security members, and police officers all working on neighborhood livability issues. The downtown clean and safe officers are very professional in their approach. They take care of a lot of the neighborhood livability issues that fly under the radar. As shane said, the bid pays for three Portland police officers and we supply one additional officer that addressed the neighborhood livability issues that were criminal in nature. So the things that really impact the perception of safety like open containers of alcohol, aggressive panhandling behavior that reaches harassment level, drug dealing, things of that nature. Additionally, the communication between our officers and downtown clean and safe is seamless. Our bike officers and our mounted patrol unit officers carry two radios, one that communicates to dispatch for the police, and one that communicates to the downtown clean and safe dispatch. So when those security officers come across criminal behavior, they have the availability of Portland police officers immediately. And lastly, I think this is over the course of the last five or six years, crime has been decrease can in downtown Portland. And we've seen a very vibrant downtown community created in no small measure because of the work that's gone on for the last 20-plus years. Thank you very much.

Adams: Thank you, chief reese. Would you like to --

David Folmer: Hi, city council, good afternoon, high name is david folmer, I work for clean and safe central city concern clean and safe as a janitor one graveyard pressure washer. And the opportunity that has been given to me from central city concern has given me a chance to be a productive member of society in the community. From my background, they gave me the opportunity to be employed, because I had issues with becoming employed, and a person with my history, you know, being able to, you know, given the opportunity to be with central city concern, you know, pretty much gave me a new lease on life. I clean up the very streets that I used to run around and be a problem for in the city. I used to be downtown Portland using drugs, and, you know, thought I was a big drug dealer and that type of stuff, now i'm cleaning up the city. So with, that i'm very grateful i've been given this opportunity to work with central city concern and just clean up my life all together, and be a part of something positive.

Adams: Congratulations. That's very inspiring. [applause] like me you must hate people that chew gum, right? Those bricks, we just put them down:

Abma: Before we move on, we Just want to make sure you had no more questions or items. The resolution is about two things renewing and looking at the other issues.

Leonard: I will just say david, that we had a member of the san diego city council here last week, and I was showing her our loos, which of course are cleaned by clean and safe, and I was explaining -- she's explaining to me that san diego has a clean and safe, but they're having a problem getting the employees to agree to clean the loos they're going to buy from us. I said that's interesting, because our clean and safe does it, not only do they do it, I know the name of the men that cleans

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them, rodney, who has done a youtube video about it. And she was like, really? And as we were standing looking at the loo on sixth and glisan, rodney showed up in his all electric car, and jumped out singing, and cleaned the toilet and she was just -- it was such an impressive thing to see, and I was proud to have that relationship with clean and safe, and central city concern for folks like yourself that have -- that are doing such a great job rebuilding your lives and making Portland a better place. And I want to thank you. She was very impressed.

Adams: Sir?

Skip Frank: My name is skip frank, first thing I want to say is that that is a very hard act to follow.

What I am about to ask for is not nearly as exciting, but nevertheless important. I sit on the clean and safe Board as the representative of the 10 downtown condominium associations that are within the district. I appreciate that expansion of the area is not presently before you in a direct way, however, it will be before you as you study it over the future months and i'm here to encourage that you consider it. The clean and safe board has enact add resolution in support of spending the district, and I am here on behalf of our 10 downtown condominium associations to urge that you consider it affirmatively. First of all, you have a map before you, and it's probably appropriate that I refer to the area that we're talking about, north is on the right side of the map, so it's a little bit tilt the clockwise. The area we're talking about is at the southwest corner of the district, which would be to your upper left. For lack of any other verbiage, we call this area the safeway block. The reason for that is because the new safeway store is in the middle of that and that provides a significant economic engine and magnet for human traffic in the area. Perhaps you'll name it something else, but that's what we call it for the time being. So if you hear reference to the safeway blocks, that's what we're talking about. I think before I get into details, I should explain probably something that you already know, when the district was originally mapped back in the early 1970s, it -- the Safeway block area looked a lot different than it does now. Lots has happened since then, not just the safeway and the museum place apartments that sit above it, also we have two high-rise condominium towers, the elliot and the benson that sit within that area, we have the north-south streetcar line that runs through there, and the point to be made is that these are all creators of significant human traffic that create the need that the clean and safe product emission is developed to guard against. On the east side are the south park blocks, which are within the district. And that is also a magnet of activity in the area. We urge that you give consideration to remapping the area for reasons, number one, that it's just the fair and right thing to do. Number two, I will talk a little bit about the economics involved, and number three, we're going to show you some photographs. The first thing I should point out is that the south park blocks, which you can call the crown jewel of this neighborhood, is something that we residents in the area all refer to when people ask us where we live. We live in the area of the south park blocks. It's really a nice place to live. The unfair thing that we have presently is that those of us that live on the east side of the south park blocks, in other words, within the district, we pay through our clean and safe Fee to clean the areas and to patrol the areas in and within our -- in and around the park. The people on the west side don't. So there is a significant inequity there in terms of the right of enjoyment. The other thing that I should mention is the fact that on the west side, we have a lot of the generators of the problem that clean and safe is designed to protect. Difference, there is a convenience store outside the district but on the west side of the park blocks, that is the source of a lot of the litter we see in the park, it's the source of a lot of the parties that go on in the park, after dinner time, and we also have the safeway store. And if you see a pile of litter within the park you can pretty much rest assured that it came from one of those sources. That's not to say that we don't have those sources on the east side as well, but it's an equal opportunity provider of the problem. The -- because of these reasons, we've -- we believe the present mapping has become dysfunctional over time because circumstances have changed. Let me just move on to the next item on the bullet points. Economics. When condominiums were brought in to the clean and safe district last year, this

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created some 150,000 dollars of additional revenue. That entitled the district to take a badge of substantial economies of scale. In other words, that money was used exclusively to hire patrol personnel. Administrative and overhead cost remain the same. So the incremental cost is growing lower as we expand the district. And that's something that we were able to do, and that's to the advantage of everybody within the district. If we expand the district to the area that we propose, this will create further economies of scale. And probably the opportunity to hire one, two, maybe three additional patrol personnel. It is anticipated that administrative costs and overhead costless remain substantially the same, so we will be achieving economies of scale. And the reason this is so important, and I really am happy that mr. Abma referred to this in his presentation, is that one of -- clean and safe delivers a great product. But for us, for those of us that live downtown, it's not quite a perfect product. And i'll tell you why. It's because the patrol coverage during the week ends at 11:00 p.m. And on the weekend it ends at 7:00 p.m., and 7:00 p.m. On saturday, and sunday at 6:00 p.m. For those of us that live downtown, that's when things are just about getting cranked up. And that creates a problem. So I am hopeful that if this district is expanded, this will give me the opportunity to advocate that it makes economic sense to hire some additional parole officers, at least one to start, and maybe we can make this happen. Perhaps with the encouragement from you along the way. With, that i'll turn to the photographs, i'll flip as we go through them --

Adams: If you could expedite this part, that would be great.

Frank: I'll just state what they are. The first photograph you see, these are all taken within the proposed expansion area. That's some graffiti that appears on the Portland korean church. The next is graffiti that appears on the christian science church. This is an encampment at the christian science reading room, which occurs just about every evening at about 4:00 when their personnel leaves. This is a group of folks outside the entrance of the safeway store. This next photograph is also a similar picture. And the last photograph is probably the best picture, and I just want to comment, I know you're in a hurry, but this is the view from the living room of a resident of the elliot tower. And I think he's signed up to speak, but this is what he has to look at virtually every day. So hopefully if we expand this, we can take care of some of this problem, and I would encourage you to consider that. And I think mr. Abma wants to elaborate.

Fritz: Is somebody going to explain what the perceived problem is there? What is the problem in the Photograph that we're looking at?

Frank: The problem?

Fritz: Yes.

Frank: I'm sorry, I don't -- the problem with the photographs?

Fritz: What is the issue that you think that the expansion of downtown clean and safe would take care of that we're seeing in this photograph?

Frank: Well, the -- I have found that the Portland patrol folks are very effective. If you call and you say there's a congregation of people, that are making noise, or if they're in the way or if you're intimidated as you're trying to get in and out of the safeway store, they'll try to negotiate with these folks, and they're good at it. I think the fact somebody with a sidearm shows up and does some gentle judging, it's very effective. I'm not sure if I answered your question, and i'm not sure which photograph you're referring to.

Fritz: It's not up there anymore?

Adams: Are you -- did you have more, sir?

Frank: No, i'm fine, unless there are further questions.

Adams: Thank you all very much for your testimony. Really appreciate it. We have -- we're juggling today, a number of council topics for discussion that have a lot of folks to testify. There are 28 people signed up to testify on this matter. We're required to also present the auditor's annual financial report. Is the auditor still here? We are going to suspend the Rules and hear from her as soon as she gets back to the chamber, but we'll proceed with discussion dish should say pba item on

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the item before us. I'd like you to keep your comments to two minutes, and the clock in front of you will help you count it down. If you have prepared for three and it just messes everything up to go to two, we'll let you go to three. And here she is, so unless there's objections, I'd like to suspend the rules. [gavel pounded]

Adams: We're going to do two quick items. You're first, madam auditor. And I apologize for those of you that have to wait. You're welcome to move around the plane as it were, and use the restrooms outside in the hall. This will probably take how long?

Lavonne Griffin-Valade, City Auditor: We've asked for 20 minutes, we'll go as quickly as we can. I know you're cramped and busy and all that good stuff.

Moore-Love: I should read the title first.

Item 388.

Griffin-Valade: Good afternoon. Nice to see you all here. Here with me is the director of the audit services division in my office, and soon-to-be sitting on his right will be jim, from moss Adams llp, the external firm hired to conduct the annual audit of the city's financial statements. So moss Adams llp has completed the audit of the comprehensive annual report, which is better known as the capper, for fiscal year 09-10 and has delivered an unqualified opinion. This is a clean opinion that the city's basic financial statement presents fairly in all material aspects of the financial position of the city and its component units as of June 30th, 2010. This means that readers of the capr are presented free of material misstatement. However, during the audit moss Adams did find areas of concern which are outlined in the report, and will be explained in more detail. Before turning the presentation over to jim, Drummond will discuss the role of audit service and the statutorily required work.

Drummond Kahn, Director, Audit Services: Thank you I'm the director of audit services, the city is required to have an independent audit of the financial statement every year, this audit allows the city to comply with state requirements and even helps the city do things like issue bonds by letting outside lenders understand the financial statements are presented correctly. Under the rules and law a licensed municipal audit firm has to conduct the audit, our management of this audit allows the city a double arm's length independence between the outside auditors and the city financial managers who they audit. Our services division is part of the independently elected city auditor's office and we have no reporting or management relationship with any other part of city government. We retain a professional staff with experience in accounting and auditing who manage this contract with an independent license municipal audit firm. So jim, a partner in the firm of moss Adams, will now present the results of the independent audit.

Jim Lanzarotta: We're trying to also have a meeting -- a meeting is going on right now with several members of each of your bureaus and representatives of moss Adams and technical accounting and the auditor's office kind of having a debrief about what went well with the audit, what could be improved upon, issues that came up and so forth. So anyway, I'm running between meetings today. I appreciate Lavonne, I know this is the second year that she has requested some of your time to present the audit directly to you. We really appreciate the opportunity to present the audit directly to you. I'm hopeful that you will get a report from management on exactly what does this document mean. What does it tell you. Because truly this is a report card of the financial condition of the city, and the trends financially under your leadership. So it would be really important to know what it means. I know that from a fund perspective and a budgetary perspective that's where you live day in and day out. You don't get an excellent bond rating so the credit rating agencies like what they see in your financials, but there is a government wide said of financial statements on a full Cruel bases, like commercial enterprises that also tells a story from a longer term perspective, and I would like to put in a plug from the auditor's office, I know they're working on what they're calling a sustainability report which will tell you some of the -- may answer some of your questions about a longer term perspective of the city's financial statement, and I've met with

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them to talk about some of the benchmarks and things i'll be reporting to you, and I understand that will come out in a couple months. So I think that will be an interesting report for you, i'm sure you'll be interested in that what says. My job really isn't so much the financial condition or sustainability of the initiatives that you have going, it's more centered on whether this document is accurate. Is this meeting the technical requirements of the governmental accounting standards board that sets the rules about how you account for things and put this document together. And as lavonne already mentioned, we were able to do our job and give you the city a clean opinion. We call it a clean opinion, the technical term is unqualified opinion. We didn't have to qualify it for any issues or conditions or errors that we -- that were left in the financial statement. So as I go through these remarks I know i've got some findings to talk to you about but i'd like to keep that in perspective that we got to the ability to issue a Clean opinion on the city's financial statement. I've got a couple things to go over with you. The nature of services are reports, there are some required communications. And I know that might be hard to sit through, but our professional standards say there's certain things I need to communicate to you, you have a letter in written form, so i'm not going to go through all of that, but i'd like to hit on the highlights. So to start out, I want to make sure that you know we issued a letter to you that asserts our independence of the city. Years ago when some of our brethren in the audit world were getting in trouble with some of the services they were providing, we worked really hard to make sure we're independent of those that we audit. We have an internal quality control process to catch that, so when we're asked to do other work for the city outside of your audit, we have a process to make sure we meet our requirements, and lavonne's shop requires that we consult with her so they can weigh in on whether we can take on a project and not impair our independence. So we're asserting to you that in fact we are independent, we haven't taken on any services that would cause doubt in that regard. In terms of the audit, what did you engage us to do? You've got a number of component units, we're all very familiar with, engaged -- you engaged us to audit all of them. There's the Portland development Commission, which issues its own financial statements, hydro issues its own statements. We did an audit for hydro. The fire, police, disability and retirement fund is also audited separately, and we performed that audit. And obviously the city puts it all together. Not only do you have a separate for audit in financials of the city in its various funds, it pulls in all these other component units and that's the comprehensive annual financial report. So we -- you engaged to us do those audits. I like to break it down into about five components, some you may know well, maybe some of this is not so obvious. Clearly we have an obligation to independently test the numbers and the disclosures that appear in this, and you know that we're in here, we're looking at source documents, we're talking to third parties, like your bank, your -- folks that hold your debt, and so forth. So we're looking, doing the testing, you probably have a good understanding of that. A second phase, though, is that we're required to look at the internal controls that your finance staff use to make sure that they're capturing this information accurately. So what are the checks and balances to make sure that you can capture this data accurately? We have an obligation to determine if those controls are designed effectively, and are they being followed. Have they actually been implemented. So that's the second phase. You are an Oregon municipal corporation, that means you've got just as you know, very well, a ton of state laws that you're required to follow, but the state auditor says to audit firms, if you're going to audit an Oregon municipal court there's six or seven laws we have to test your compliance with and report on that. The largest thing is your compliance with local budget law. Public purchasing, local budget law, the deposit of cash and investment are you meeting state laws there, and a few others. A fourth area is since you receive federal grants, we have an obligation to test your compliance. A lot of these federal grants come with compliance requirements that are outside of the financial statements. And you're obligated to put in place internal controls to help you with those compliance requirements. So our I don't know is to test those control and also test ultimately for compliance and report on our findings, and we'll talk about that in a moment. And

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finally a fifth phase is that you're fortunate in that you have an accounting staff that has the knowledge and experience to put this document together. There's, I don't know, 1500 some-odd governmental organizations in Oregon, probably maybe 10 or 15% are able to put this document together in house, the rest are Engaging their auditor or another party to actually put the document together, so our obligation is to test it. Is it consistent with the audit work that we did and is it meeting all the technical requirements. So that's the nature of what we did. So less talk about the results. We already talked about the fact you got a clean opinion. We want to keep that in mind. Even though we have a couple of things to findings if you will, but I think you've gotten a clean opinion, yeah, so you clearly have a good set of people and experiences to capture the city's financial statements in good order. That said, and remember I mentioned we have an obligation to look at your internal controls. And to tell you if there are weaknesses in those. We had four weaknesses in internal controls that rose to a level that were required to communicate to you in writing. Three are called significant deficiencies, so they're significant enough that we need to report them to you in writing, and one was severe enough we call it a material weakness. So that's a more difficult one, or one that was more problematic. The material weakness -- covered your capital assets, there's -- you are involved in a number of intergovernmental agreement and there's one you had with tri-met over a light rail project, and as you know, you work very well with your partners to do these projects. There was technical aspect of one particular agreement that was difficult for you to determine when do you book the assets that ultimately were you going to be responsible for maintaining once the project was completed. And unfortunately the city booked about \$30 million of capital assets in 2009 before were you really on the hook to be responsible for those. They were still under construction with tri-met, tri-met was running and managing that project, and the city jumped the gun in terms of when it recognized its portion much that project in your financial statements, the agreement said that when the project was done, would come to an agreement about what portion you would be responsible for and when you would take possession and go forth, and unfortunately that asset got booked before that point in time occurred. So that was an area where we had a pretty significant adjustment required, and we put that as a material weakness.

Fritz: Did that have any practical outcome?

Lanzarotta: I'm not sure --

Fritz: In terms of changing the numbers.

Lanzarotta: Your 2009 financials actually recorded that asset on the balance sheet as an asset of the city, and it really didn't technically meet the requirements at that point for you to recognize that. So it's a timing issue only, when this project is done, that asset will come on your books, but you just jump the gun in terms of recording it on your 2009 financials when it wasn't ready yet or didn't meet technical requirements to be recognized at that point. So your 2009 financials were in error. To the tune of 38 million dollars on that project it.

Fritz: Was a project cost, it wasn't like we had spent the 30 million semiconductor else.

Lanzarotta: Right. It's clearly not anything inappropriate, it's a timing, technical issue as to when that gets reflected in your financial clearly it's not a project administration problem or anything else, or noncompliance or incorrectly spent dollars, none of that. It's strictly a timing issue of when the accounting standards would say you need to reflect that in your financial statement.

Fritz: Thank you.

Lanzarotta: The second area was what we call a significant deficiency deals with payroll. Recording payroll, recognizing payroll liabilities in your financials, as you might know you implemented sap accounting software a couple years ago, and in 2009 and '10 fiscal year you implemented the payroll. The human resource management monday you'll, hcm is the acronym for that. Basically it is the system that calculates your payroll. And unfortunately in the implementation and design of that, there were postings that were happening in your accounting that

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were not clearing out in the normal course so you have liabilities on the books that were not legitimate, they just weren't clearing out as payment were being made. And so adjustments were found to be necessary there over the payroll, and I believe that is something that technical accounting is working on. A third area deals with classification. Again, it's not an error in the ability to reflect cash investment debt correctly in the books, but where it appears on the financial statement. You have a classified financial statement which means it's important to recognize when an asset is cash or near cash, we call it a current asset, and when is it a noncurrent asset. And same with liabilities. We found a number of reclassifications that were required within your cash and investments between current assets and noncurrent debt that was reflected as current debt when it was really long-term debt, and finally within the net asset classifications, some adjustments that were required, so we labeled that a significant deficiency. And the fourth area was over some hud section 108 loans. We found loans that the city had issued where you're responsible for repayment, and those are not reflected in your financial statements, your general ledger, and those needed to be put on the books. So there was control deficiency that led to those not being recognized. And that's a difficult area because there are some hud section 108 loans where you Don't need to put them on your books, you're not responsible for repayment, but when you are responsible for repayment, mean can the city, then obviously you need to have that debt reflect order your books and I think there were three loans that were not in fact recorded. Some incorrect decisions about who was really on the hook for repayment. Is what led to that. Those are the control deficiencies that we identified. With regard to state legal compliance, Oregon minimum standards that we need to apply to your audit, we had two areas where we found noncompliance, one was over overexpenditures in the footnotes to your financial statement is a list can of about three funds I think, three or four funds that had actual expenditures beyond the legal appropriations, which you had set for those funds. So we need to comment on that. And the other area that we identified which is a little problematic for you is an interfund loans. What the state statutes say is if you're going to borrow money from one fund to another, you need to have approval for that in advance. And usually you do that through resolution or ordinance. And we found a number of interfund loans that did not in fact have a resolution or ordinance approving those and then also the statute says if you do have a loan outstanding at the end of the year, you need to budget for the repayment of that in the ensuing years.

And with found instance where repayments were not included as a budgeted appropriation in the ensuing fiscal year. So that happened coming into 29-10, and again coming into the fiscal year that you're in now. And there is a problematic area for you. You've got a number of grant programs where you're able to build the federal government, but you've got to carry that until you can collect cash from the federal government. So you've got to pay your bills, meet payroll and so forth, and so you've got a grants fund that needs working capital. And its cash balance will go negative while you're waiting for reimbursement from the feds and the state views that as an interfund loan. I know we're working with your staff on what some possible solutions might be, or how to handle that, so you're not burdened with all these requests for approvals for interfund loan every time a grant program needs some advanced funding, so hope family they'll come to a practical solution to bring to your attention to address that. That was our Oregon legal compliance. Question?

Adams: Questions or comments from council? Additional comments from anyone else on the panel, madam auditor, did you want this report accepted or is it just a verbal report?

Griffin-Valade: I think it's just a verbal report. For you and the public.

Adams: Great.

Saltzman: Do we have the full Copy?

Griffin-Valade: You should have.

Adams: We have a summary. Thank you very much. Appreciate it. We will if we're not all ready we'll get on top of those issues. We're going to do a quick -- so we don't -- I appreciate your forbearance, we're going to is do a very quick emergency ordinance. Please read the title for 387.

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Item 387.

Adams: Commissioner Nick Fish.

Fish: The title is self explanatory. We're pleased to be joined today by former county commissioner serena cruz walsh, she and her husband tom walsh jr. Are trusted partners of the Portland housing bureau, helping us meet a number of our citywide goals. Today director van vliet in under one minute will explain the action item and the reason we need your action today is because we cannot close without your approval. Director van vliet.

Margaret Van Vliet, Director, Portland Housing Bureau: Thank you, commissioner. The item is fully explained in your materials. What I would highlight is that we own a set of single family homes, we want to sell them and get them into the hands of home buyers. We've worked out a financing mechanism that has been fully vetted by our housing investment committee, our loan committee, which you authorized to do those actions. So it's a little bit after complicated structure. We're going to make an acquisition and construction loan and a permanent loan, and part of it will be repaid and part of it will stay in the homes. And the homes will be sold using a land trust model through proud ground. And so I think I will just leave it at that in the interest of brevity. Happy of course to answer questions.

Adams: Do you concur, commissioner? [laughter]

Serena Cruz: I concur, you have a very busy agenda. You don't need to hear from me. We're excited to be working on it, we think it hits all the policy high notes of green, affordable and more diverse than anything. We're very excited to work with you on making this project happen and getting families housed and these great homes in north Portland.

Adams: Thank you. Anyone wish to testify on 387? Karla, please call the vote on 387.

Fish: Mayor, renew kenton was selected because of their experience, because of their utilization of minority contractor, and for their green approach. These homes will be sold to first-time homeowners, a track record in our community of over 100 new homeowners not one foreclosure in the history of their organization. So they know what they're took. And these will be in the main more affordable. In an area that needs more affordability homes. Thank you, thanks to jacob fox, barbara shaw, carrie hernandez, connie buckley, andrea, turin tron, linda law, art hendricks, who was stolen away from us by parks, which is actually -- it was theft from my own one bureau I run to another bureau. So there was no actual defendant in that crime. Mike johnson, paul stewart, kathy mill I kin and marlo and director van fleet, thank you. Aye.

Saltzman: Good work. Aye. **Leonard:** Aye. **Fritz:** Aye.

Adams: I'm going to have new neighbors. Aye. [gavel pounded] I live in kenton. Thank you. That returns us back to our regularly scheduled programming. We are back on consideration of item 390. And we're about to continue into public testimony. Is that right? And we do have courtesies of the house for former city elected officials, so former commissioner gretchen kafoury, and two others. Welcome, it's nice to see you.

390 continued.

Gretchen Kafoury: Thank you for the courtesy. I appreciate the courtesy, I've been sitting quietly and listening.

Adams: It is our courtesy to you.

Kafoury: Thank you. Actually, my partner at the Portland Plaza is going to go first.

Walter Grebe: Thank you, I'm Walter Grebe, I live at the Portland Plaza, I'm an attorney with Schwabe, Williamson, and Wyatt, but they have nothing to do with this comment, these are mine. I just want to talk about the way we've been treated and the fee that's being charged against us. When we were first brought into the clean and safe, we met with the clean and safe board and we were told immediately by the chair in their opinion they were -- we did not pay enough and we should pay far more. As we've dug into that, we found we are paying far more. Some of the businesses that we think are the direct beneficiaries -- for instance, nordstrom's pay \$30,000, we pay

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\$36,000. And Macy's \$19,000, again we pay \$36,000. So we think it's an unfair -- unfair analysis and we think the budget, the formula, whatever it is -- we can't really figure it out. Whatever it is, we think it's unfair, and that perhaps an easier way to do it, if you don't want to exempt the condominiums, which I would appreciate if you would do that, if you don't want to exempt us, I think perhaps a fair allocation would be maybe one-third of what the major downtown retailers and other businesses are paying. We get nothing. We don't get anything close to the benefits that the rest of the -- the major downtown businesses do.

Adams: Thank you. Commissioner.

Kafoury: Thank you, bear with me. I don't think it's longer than two minutes. So why am I here today? Frankly, because of my history with the bid. The bid. Bill and Sandy remind me that I have been around a long time and that's true. I have also been a resident of the Portland Plaza for 20 years in the downtown -- a downtown resident. So I find politically and personally in the past I've made assumptions and decisions that I know conclude may be incorrect. I'm assuming I have standing in the court today, to coin a phrase from my lawyer friend, but the issues do involve housing and fairness. Back in the day when this all began, the idea was very, very simple. We had a map, we drew some lines, the boundaries, we had a projected budget and operational budget, of which services would be provided by clean and safe for the bid. And we had a formula on how we would raise new money to sustain the operations. Seemed simple, yet over the years as the -- as the resolution clearly details, there's been a lot of changes, a lot of rethinking of this process, including the fact that some major assumptions have been made. One is that everyone who is within the map would pay something, that was -- it wasn't just a business district as Bill explained when it originally started. It was no longer that. It was everybody who had property in this area was in this map ought to pay something. And as it evolved, what you heard plenty about today, two years ago, the -- this council decided to mandate that downtown condominiums participate with the dues that Walt has described. What's different today? Besides the fact that I've had a major course correction in my thinking. Internally. One is that you're being asked to reaffirm the district for another 10 years. When you talk about the map, the context of expansion is only within the area -- sorry, I don't know my -- is my time up?

Adams: Please continue.

Kafoury: Sorry, I wasn't watching.

Adams: That's ok.

Kafoury: Within the expansion that Skip Frank outlined will only take place in the context that it's economically feasible for sustaining the services that are currently provided. There's reference to the fact that the condos, all of us have different feelings about the fees, and it does say, I believe, that the fees may be adjusted but it has to be revenue-neutral and at one point, it's suggested that the condos should agree, the condo owners and frankly that won't happen. I'm assuming -- I'm making another assumption here that the budget is needed and certainly you -- Sam, I'm sorry, Mayor Adams.

Adams: You can call me Sam.

Kafoury: I didn't mean to be presumptuous in the least. We have heard plenty of good works that done by this district and it has made a great improvement downtown. The questions I'm asking today are really more philosophical. One, who should be mandated to contribute to the formula? Why are residential properties included? If they are, might there be a fairer way to assess these properties? Two, have we slowly over this evolution and chronology drifted from the original purpose of the district? And are we sure that these services can only -- this goes to the budget -- can only be offered by clean and safe? Thirdly, are we basically reaffirming today that decisions made in the past cannot be challenged or questioned? And I would ask where should that decision be made or those questions be raised? I believe this is a political beast. It was created by the city council. And all the taxes -- excuse me, we now call it a fee. The fees are collected by the city

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revenue officer. And all these changes that have been detailed are approved by this council. So I do believe that you are all -- ultimately the arbitrator -- the arbiters and the decision makers in this. I do not in any way mean to challenge the integrity or intent of anyone involved in this. These are my friends on diverse sides. I'm simply asking the council to ask some different questions that may lead to different answers. And in an uncharacteristically -- not typical move in my retirement years, I would offer to be -- to work with any of you or be part of any activity that -- to ask and hopefully answer some of the these questions as we move forward. Thank you, sir.

Fish: We have to clear any such appointments through the county commissioner, deborah kafoury, but we'll get back to you.

Kafoury: I know, the poor dear.

Adams: Good to see you, thanks for your testimony. All right. Karla.

Adams: Hi.

Wendy Rahm: Hi.

Adams: Thanks for your patience, we really appreciate it.

Rahm: Thank you my name is wendy rahm and i'm here with others who are willing to stand up in support of the renewal of clean and safe and the expansion of the clean and safe program for our 12-block neighborhood west of the south park blocks. I've watched my neighborhood liveability decline in contrast to the other side of the park blocks. The border covered by clean and safe and the area without their services has become clearly parent. This contrast is largely due to clean and safe's good work. I live on the wrong side of the track. The wrong side of the tracks includes several churches and small businesses, the safeway and major residential buildings. On my side of the border, we see rampant use of drugs and drug dealing, aggressive panhandling and trash and other unmentionables left behind by street vagrants. Aggressive panhandles, some with dogs, create a scary gauntlet in front of the safeway and in the park. These are the conditions we see. These conditions contribute to an increase in empty storefronts. Arriving and spend -- renewing the clean and safe services will keep our streets cleaner and more secure and address drug-related homelessness and aggressive pan hamming and very important, may help to make the area more attractive to potential commerce. It will promote a collect I 12-block approach to solving these program problems shall rather than the piece male approach that exists with three or four -- piecemeal approach. That approach is not working for our neighborhood. Although the clean and safe services will not be a cure-all, I believe that the additional costs we residents will incur is a much needed investment in the neighborhood's livability at a time when city covers are stretched -- coffers are stretched.

Adams: Thank you very much.

Robert Wright: My name is robert wright. I live in the unit at s.w. 10th and jefferson and want to thank the council for the opportunity to speak on the important issues. I returned to my home town five years ago, my wife and I looked forward to living in a vibrant diverse central city. These expectations have been met but not entirely. Since I left in 1966, downtown Portland has been revitalized. However, safety and livability, we have experienced on public sidewalks in our immediate neighborhood has declined over the last few years and brought into question our decision to live our retired years in downtown. My neighbors have had the same experience. Some have move from the neighborhood. The safeway store across the street from our building is on the one hand, a convenient place to shop. On the other hand, it's a attractive nuisance. Street people congregate around the store's entrances for reasons other than shopping, some illegal. Or as cover for illegal drug transactions. My wife and I witness and encounter this frequently. Some of the photos you saw in the clean and safe presentation were taken from my front room living room. Safeway and its neighbors have been unable to mitigate these negative impacts on our neighborhood which come with a cost. Stolen goods, lost business and an intimidating street corner. My wife and I shop there less frequently and for property owners in our neighbor, safety

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security services have had an effect. But fallen short in blocks adjacent to us. With resources stretched thin now and into the foreseeable future, an integrative security is needed. My wife support the surge to approve the expansion and commissioner Fish, I respectfully offer to answer -- further respond to the question posed by mr. Frank on the picture you addressed. With your permission. What's missing in that, and i'm not a security officer. I did buy a better camera. The white powder being exchanged for green dollars. You have to be quick and have a video camera to catch it, which I have on occasion. The most obvious things, it violating the Americans disabilities act provision of the sidewalk management plan. A minor aspect. About a year or so ago, I was witnessing that on a sunny day and saw the exchange of drugs for money right out in broad daylight. I impulsively and not smartly, grabbed my camera and went in amongst them and took pictures. Two fled immediately, I took the pictures and with the narrative, sent them to the central precinct, that resulted from probable cause in hand apt result of one of the people, with 40 packets of cocaine in my front room area. Thank you for your consideration.

Fritz: Thank you, I appreciate your clarification, obviously, the drug dealing is illegal and standing on the sidewalk is in compliance. People on foot and unable to move at the request of someone with disabilities. They weren't sitting down in the wrong place. Just standing, which is allowed.

Wright: Thank you. I've been talking to the central precinct and i've been informed that those that patrol the streets -- why were you on earth trying to sell drugs on a bright sunny day with people coming out of safeway? For cover. It's like a shell game. I've witnessed it.

Adams: Thank you. Ma'am?

Brooks Buxbaum: Thank you. I'm brook bucks speaking on the behalf of the eliot board. I have a letter from the board and would like to present highlights from it. We need the enhanced security and cleanliness and liveability that clean and safe would bring to combat the deterioration in our neighborhood. We have had potential condominium buyers walk away after touring the neighborhood and finding homeless camp-outs, public urination and commandeering the park blocks with intent obvious illegal drug use. The eliot needs the bid to protect our owners financial interest and the value of their property and we need the bid to protect Portland's public investment of urban renewal funds in this area and need the bid to provide better security and cleanliness for the properties in our neighborhood. It's only through this collective approach, blanketing the entire area that improvements can be made. The eliot can secure its own boundaries and keep its own sidewalk clean but we don't want to have a castle with a moat around it. We want to be clean and pleasant for everyone and we need the bid it achieve this public goal and we want to have a pleasant, safe neighborhood where everyone feels comfortable and need people to want it live there and enjoy living there and we needed bid and we need the city council to support the proposed expansion. Thank you very much.

Adams: Thank you, thank you all for your testimony. Appreciate it.

Adams: After this panel, if -- just for the sake of time, if -- it's a request, not a mandate. If you signed up and your point has already been made, then it would be great if you could defer, although if you want to repeat it, you're certainly allowed, but if there's a new point that haven't been raised, please, stay signed up but we have a number of things to work through after this agenda item. So -- any help would be appreciated. Sir?

Kirk Kenward: My name is Kirk kenward, chairman of the board of church of christ scientist and I represent my congregation. Three of the pictures up there were pictures of church. We share a block with st. James lutheran church and the church has developments that are for kids and kindergarteners that walk around the streets in the park blocks. There's -- I like to address seven short topics. One is finding needled weekly around my church. These kids walk by these needled and i'm surprised nothing -- the needled and i'm surprised they haven't picked them up. I work as a drug and alcohol counselor at kaiser and i'm familiar with these and I put them in the sharps and take them to the hospital. I used to give them to the police but the police are not showing up. We

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had an addict o.d. On our front steps during a sunday service. The homeless are defecating and urinating on our steps daily and around the block, leaving incredible messes of broken beer bottles, cardboard and spoiled food that's caused an expensive cleanup and rat problem we're having in between our greeting room and church. Had three rats, it was about a month ago, run right under my feet. Number four, stealing. Someone stole all of our handles off our doors on our church and we went to the police and didn't get much help at all. Doors on our church. They stole or signs. Our trespassing signs to get the police to come and have a permission to clear the doorways. We have three members that are 95 and older and terrified to attend services at night. Graffiti never ends and it's bankrupting our church. Police seem to be busy elsewhere. We have no recourse but to beg the homeless to clean up after themselves for fear of retaliating against us. At the very least, give us a bathroom to stop the unhealthy spread of urine and fecal matter. We need it in the park blocks. We have a beautiful college, and people walking by, it's something that needs to be put in the park blocks. My father, John Kenward, loved the city and started the Portland development commission under Terry Schrunk and was -- who was mayor and would be sitting here advocating this service for the city that he loved.

Adams: You're in favor the expansion?

Kenward: Yeah.

Adams: Great. And thank you for your testimony. And we have to do better.

Fritz: The downtown neighborhood association a couple nights ago and they're scoping out a couple of locations for a loo. We're aware of the challenge.

Adams: Sir?

James Warner: I represent the Benson tower in the area of the expansion. President of the HOA there. Just before I talk about that, I really don't have anything to say about the previous one, except one thing that Commissioner Kafoury brought up. You talk about redoing the bid. I don't hear anything about having any other companies putting in a bid for the same services. Has that been considered. That's the only thing I'm going to say about that. We had our annual meeting last night and we posed the clean and safe addition at this point in time, the way it's proposed to us, both our membership on the board and all of our residents in the building are voting 100% against it. We -- we are not saying we don't need something, but what we're saying is you're coming at us with a cookie cutter approach, with a program that works for the downtown retail core, that's not us. We're different. The whole area is different. I think each time you go away from the downtown retail core, you have to change your model. The model you have now wouldn't work for us at all. And I mean, even -- even Skip Frank mentioned they'd have to change hours of operation. Downtown core, you've got people shoplifting and the things that go on, muggings and pick pockets and things like that. And in a residential neighborhood, crimes happen after midnight. Criminals like the dark. They don't like to work in the sun when they don't have to. That's it. -- work in the sun when they don't have to.

Adams: I appreciate that, on behalf the HOA, if you could detail other suggestions, that would be good.

Warner: I'm looking forward you having hearings on this, the other thing, up where we are, hardly anyone knows [inaudible] coming.

Adams: Fair enough. But it doesn't have to be pretty, but detail the services you would find valuable that, would be great.

Warner: Sure.

Adams: You bet. Hi.

Jane Demarco: Thanks very much mayor and hello councilmembers. I'm Jane, the managing director Northwest Third and Everett in Old Town Chinatown representing 22 employees and the board. It's a local, regional and international visitors and last year, 150,000 visitors come through our gates. We have over 4,000 member who is visit multiple times, the garden a month. We're

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considered a Portland gem by the locals and a must be destination for the out of towners and make Portland Portland. Clean and safe is a resource we use and need. In the business warm months, seven calls a month to clean and safe to help us deal with people on the streets or in our entry plaza for safety reasons or staff cannot handle. We use them continuously for removing graffiti from our tempting white walls and thrilled they're there to keep our neighborhood streets clean of litter. We love the street presence, the way-finding in the summer months because sometimes our garden is hard it find. Clean and safe is trained to diffuse troubling situations. I'm in the process of visiting gardens around the country right now, and not many cities have clean and safe. My experience is that clean and safe is playing a much needed role in old town chinatown. Given the lack of mental care are the support for the homeless situation and -- we believe the present neighborhood issues we're seeing would be a huge deterrent to visitors and locals who would like to go to the chinese garden if it were not for clean and safe. We appreciate since the 10 years since this was started, things have changed in old town chinatown, including a lively nighttime situation on fridays, saturdays, and sundays and i'm sure that clean and safe has a human cleanup job the following day. The services -- and probably a hierarchy of priorities, in this upcoming opportunity to revisit it. However, we do recommend the continued funding of clean and safe and thank everyone for its creation and operation.

Adams: Thank you, thank you all for your testimony. Appreciate it.

Adams: Welcome back, nice to see you.

Doug Montgomery: You may not think so afterwards. I manage the apartment building in the proposed area that may be annexed to it. As I understand it, the problems I would have, the hours I need it. I hire a private firm and they come on at 10:00 at night and leaving at 6:00 in the morning. Coming on when things really start doesn't work for me and they're dedicated to my property in the sense they walk my garages along the perimeters and they make sure that the people are out of there and shut down, I wouldn't be able to get that service with the clean and safe because -- I understand they're not allowed to enter a property.

Adams: That's a good point.

Montgomery: I was notified of this proposal and never heard anything from anyone. The clean and safe, that this was up -- maybe it was just me. But I heard about it from a private security firm that works that is at risk of losing the contract. That's the only reason I know about it.

Adams: We need to do a better job --

Montgomery: And none of my apartment welders were aware. Except the four I asked about it.

Adams: Thank you. Ms. Mandel.

Lili Mandel: Hi, i'm lili mandel. I find something very, very interesting about this. Because we live in a rental, we were not notified at all, doug found out they had discuss it had and seemed to be a fait accompli and there's a map already for the extension. No one bothered -- know about it or the tenants get in on it. I find this discriminatory. Really, and I don't like the process. And then we hear someone saying, oh, oh, we're not going to vote on it now. Don't worry and I hear the other big spiel of already being set up and being set up and giving wonderful opinions and stuff and we haven't had a say at all. Pro or con. And why we do or do not want to be part of it. It really is infuriating because this is not the Portland way. I'm not used to that. This does not happen. People all are invited, no matter if they own condos or not. If they're for it or against it. I don't like it at all. I say in no way is this the Portland way.

Adams: Thank you for your testimony. Sir.

Irwin Mandel: I go with her. Your resolution that you propose is confounding. Expanding boundaries of the district as if you're going to vote today on the expansion of it. The body of the resolution doesn't include that. It simply says -- just to continue and in the future -- yeah, the analysis supports the expansion, the revenue bureau should included expanded area and code changes brought forward by ordinance of city council. Clean up your act a bit because this is what

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has gotten us very upset. According to reading the title for the resolution, today was going to be the vote on expansion of the district. No public hearings have been held. No one has been consulted. Other people apparently knew about it, as my wife apt building manager said, we heard about this last minute. That it was up for expansion. It's not working properly. Secondly, about clean and safe, good heavens, you need them for another 10 years: I've been involved with clean and safe I think for 17 years. Long before the Portland business alliance was the Portland business alliance. You may remember, it was the association for Portland progress who really founded the whole thing. I have ppi, the patrol people on my cellphone on speed dial as I walk down the park blocks and through the central city and i've used it many times. Every time I do, there's a bicycle officer out to clean up the problem, whether it's an alcoholic, drug dealing, I also have the non-emergency phone police bureau on my cellphone on speed dial. There are problems they can't handle. The odd thing about the district is it ends right now at the west curb of the park blocks. Not across the street.

So that the Christian church is not included in the district. Neither is our building. It ends only at park itself on the west curb of the park. It seems like a good idea and very necessary thing. I see the same thing at safeway and my wife sees it as everyone else does and it's a bloody horror. Let's do something, but let's do it in terms of a reasonable process where people get a chance to have some input into what goes on. Thank you.

Adams: Thank you. Thanks for your testimony. Commissioner Saltzman.

Saltzman: Mayor, I have to recuse myself from this vote because I have an ownership interest in property within the bounds of the clean and safe district and I also have a family obligation so i'm going to leave at this point.

Adams: Thank you, commissioner. I think the point is raised about the title will -- if staff could work on some amendments to the title so that it more accurately reflects. The way I read the body and thus the substance, should evaluate the benefits and costs of the expansion the district if the analysis supports expansion, then the revenue bureau should include the expanded area in the code changes that will be brought back to council. That's separate from the issue of outreach. Sounds lifeguard we didn't do a good job on outreach and on the other, allay fears that any sort of decision is being made, it's -- should review the need for a cap on fees for cultural institutions and change the fee formulas for condos, so that will be part of the evaluation moving forward. If staff would work on the necessary amendments to the title. Where did staff go? Ok. All right. Let's call the next three.

Adams: Thanks for your patience.

Adams: Sir, would you like to begin?

Bud Coe: Sure, i'm bud coe. Also, the benson tower. I'll be brief. The only reason i'm speaking, I think if you address these concerns early in the process of the review, you're going to be a lot smarter coming out the back end here. Obviously, you've heard a half dozen -- we agree with ms. Kafoury on the vision creep aspect of this extension. The cultural district and our buildings are entirely different than issues faced three, four, five, six blocks from us, so the cookie cutter approach doesn't work. If we can get that correct -- something that hasn't been discuss, the half a block across the street. You're drawing the lines straight down the middle of 11 and we have the -- drawing the lines down the middle of 11. We represent 143 homeowners in the benson tower and though you had a presence from the eliot, we know many from there that don't approve. These are individual homes that paid no property taxes and this year over half a million in property taxes. At \$39,000 for the eliot and \$18,000 for the benson and are the two largest contributors to the potential expansion. So I had not heard the numbers but to see us paying roughly what nordstrom's and macy's does for almost no services because we don't -- our problems are also in the evening, we take care of our own property and pay a property manager to do that. The needs are different. We've got to get that better.

Adams: Thanks, message received. Hi, welcome back.

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Veronica Rinard: Mayor and commissioners. Good to see you again. I'm Veronica Rinard. Director of communications of travel Portland and Jane gave you a good view. I hope I'm not redundant in giving the macro tourism view. As you know, tourism is an important economic driver for our city and especially central city. \$3.6 billion after the year directly in the Portland region and there's no multipliers on that. Those are new dollars and that supported jobs and actual numbers and intent to travel both on the increase. Central city businesses tell us that 20% to 50%, depending on the business of their business comes from visitors and having a clean safe feeling, friendly and vibrant central city is important to attracting visitors. There are studies that show that that's among the tomorrow factors when people choose destinations for travel. It's one of the things that sets us aside as a destination. Walking. But, of course, people need to feel safe on the streets. Clean and safe inc. That has done a great job of keeping downtown enjoyable and safe. And I would echo comment, when you look at their monthly report, I can't imagine what downtown Portland would be without their work. But those thousands and thousands of graffiti tags removed, trash removed, drug items removed, are hugely important to how visitors experience our city. I'd like to point to the thousands of pedestrian contacts each month. The work the ambassadors is important. They present a friendly and helpful face to our visitors and able to leverage the work of our visitor information center. So in conclusion, of course, we want downtown Portland to remain vibrant and profitable, keeping it clean and safe is an imperative first step and I urge you to renew the clean and safe district.

Adams: You can do the jazz hand but no clapping unless the chair of the council says you can.

Moore-Love: Nine more signed up.

Adams: Are these new thoughts? New points? Then we want to hear from you. Not if they're repetition, we beg your indulgence and you can say I agree with one of your compadres. Who are they?

Mary Morris: I agree.

Adams: You are citizen of the day.

Adams: Thank you for your patience. Glad you're here. Who would like to begin?

Richard Leonetti: I guess I will. I don't have a computer. If you would just stand that up? My name is Richard Leonetti. 1414 Southwest Third Avenue and I'm here to tell you that the bid formula is badly out of whack. The fees are grossly unfair between the bid payers. A few pay a lot and the vast majority pay peanuts by comparison. Now your own measures in the statutes say elevator capacity, square footage and assessed value are supposed to be the measures of the fee. I'll throw out elevator for a minute. But if you look at the measure of square footage, the fees run from less than three cents to more than 30 cents a square foot of the building and property. That's 1,000% variation in that measure. The second one, the assessed value, you're using assessed value fundamentally formed 17 years ago, so I arbitrarily took 15 properties plus my own and said, how are the assessed values or the market values, either one, but the assessed values today compared to the way you calculate the assessed value now? The variation is from about half of the current assessed value to 1.5 times the assessed value. So that's out of whack by 300% kind of variation. With the exception of possibly low-cost housing, there shouldn't be any variation between businesses who. Essentially the same kind of position. They should pay the same fee, that's my point. The simplest way to fix the fee is it take the data you have and say everybody's going to pay the same per square foot and be done with it. That would be easy. You've got the data. The more complex one would be to try and update the assessed values or some kind of value and adjust the rate to fix it. That's pretty involved. I've got a third one in the written material I gave you. It's less complex but sounds more complex. The bottom line I heard from the consultant and the alliance was all the same: Well, if we fix this to make it fair, we make a whole bunch of unhappy people. And that's absolutely right. If -- if -- if 20% of the people are paying the bulk of the fees and 80%

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paying below average fees, the median on this fee for square foot is four cents and change. The average is about 9.4 cents and the range is from three to 30 something. But the point --

Fritz: To be clear, we're actually directing the staffing to back and look at the formula. We agree with you.

Leonetti: Ok. Let me finish. One more thing. The present fee, i'm going to put it in personal terms, because it fits. If I went here and collected 20 bucks from every one of those people, that would leave us \$4 million short. There's five of you just as much downtown as I am and I asked you to pay the five of the \$4 million and split it among five of you, you wouldn't consider that fair and I think you've heard from others that said they're unhappy with the fairness of the fee. The present formula is wacky and needs to be fixed and could be fixed simply and all i'm asking, do you want to be popular or do you want to be fair? That's the choice you've got to make and i'd like you to answer that in the answer of being fair.

Adams: Thank you for your presentation. And your visual.

Leonetti: That is on the second page.

Adams: Yeah, I see that. Thank you very much. What do you do for a living.

Leonetti: I'm retired. A researcher for the tax foundation of Oregon.

Adams: I kind of figured -- [laughter] you're just very precise. I appreciate that. Thank you very much. Sir?

Jerry Nothman: I'm jerry, I live at 1414 southwest third. Fountain plaza condominiums. I would just like to remind the board that -- that we as a condominium have contributed on a voluntary basis to this thing every year for 13 years. So it isn't a question of being anti-clean and safe. But clean and safe today s has lost its way. It started out as a benevolent social organization doing good things for downtown Portland and the homeless that were around burnside and so forth. The homeless have been replaced by \$100,000 vehicles that do the same job, a little bit more efficiently but doesn't put any homeless on the streets. We have cops running around with guns responsible to nobody. That wasn't part of the original idea. My question is one starts to ask why am I paying property taxes \$14,000 a year if I can't get police protection? End of story. Thank you for letting me speak.

Adams: Thank you. I appreciate that. Ma'am?

Jacquita Eddy: Mr. Mayor, I don't need to speak. Mr. Leonetti said it clearly.

Adams: So, Ditto. Thank you very much. Karla.

Adams: Thank you for your patience. You've seen a lot of democracy happen today.

Adams: And we're glad you're still here. Name?

Adams: Please begin.

Janet Hammer: I'm janet hammer, I live on the right side of the tracks on the south park blocks which i'm glad and i'm here with a group and we're in support of everything that -- where's my group? That skip frank said and we're all for the expansion. Thank you.

Adams: Thank you. Very succinct. I appreciate that.

Laurie Abraham: Good afternoon, i'm laurie abraham with the Multnomah county district attorney's office and i'm here on behalf of mike schrunk, the district attorney to tell what you a vital partner, clean and safe, has been to our office. You've heard about that earlier, so I will tell you this. Liveability crimes have been the bulk of what the legal assistants that paid for by the clean and safe district provides our office. We would probably not be able to do that. We do between 200 and 300 each month and those are brought to us by the bicycle officers that are provided by the clean and safe district. I do believe after doing those cases now for 15 years, that the decline in criminal activity that chief reese spoke about is partly a result of taking -- pay attention to the liveability crimes. Thank you very much.

Adams: Thanks and thanks for your service. Ms. Binder.

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Doreen Binder: Lost my voice. I'm doreen binder, the executive director of transition projects and it's been interesting to sit and listen to everybody talk and mention the homeless as often as they have. Our organization working with the homeless and I appreciate what i've heard from people that they're aware of what's going on and i've heard a lot of support. Clean and safe hack a incredible organization that's helped us. The Portland business alliance has been supportive of our organization since the beginning, and I -- I support the work that they do. I think they do incredible work. We're working with them to expand what they will do for us as we move to the bud clark commons which they'll play an integral part. We call them when we need them. What we've found is that by them being in the environment of where we are, we've so few -- many fewer incidents than before. They support the work we do, they're very -- fewer incidents than before. And they direct people to us and they're an incredible organization that does a lot for us. Because i'm moving on, I have to get my grandson, i'd like to skip to the next issue that you're going to discuss.

Adams: What do you think about the next issue?

Binder: What I think -- thank you for asking me. When I think about the next issue, when I came to Portland 16 years ago, there was a drug-free zone in Portland. And interestingly laurie is sitting next to me, we've had more arguments than i've had with anyone in my life. The new incarnation is an incredible compromise. It's a great way to do things, one of the things that laurie and I have discussed, creating a drug-free zone without any meat doesn't work. You push people from one part of the city to the other, I think that by creating two new walking beat officers, it's wonderful. To put another assistant d.a. on this is in-- d.a. Is incredible insight and I understand the racial issues and how we deal with that. I think it's the same way I have when I worked in domestic violence years ago and -- in domestic violence and talked about supply and demand, I support -- I support the process and the new proposal you have and I would like to look at the issue of both supply and demand. It's not just arresting the people selling but looking at the people who are buying. Because I have a discrepancy in race and I propose we look at that issue and I appreciate you putting me on your new committee and I support both pba and the new proposal you have on that.

Adams: Appreciate it.

Binder: Thank you.

Adams: Thank you all. Is that it? Terry, thomas, do we have -- there might be some questions from council and we need to --

Leonard: Have a couple of questions.

Adams: Clarify the title. First, a clarification for the title?

Thomas Lannon, Director, Revenue Bureau : Yes, we do, mayor. First of all --

Adams: How should it read?

Lannon: Continue the downtown business district for an additional 10 years and direct the revenue bureau to analyze expansion options and possible changes to fee calculation.

Fish: So moved.

Fritz: Second.

Adams: Moved and seconded. Karla, please call the vote on the motion.

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

Adams: Aye. [gavel pounded] commissioner Fish.

Fish: Two points. One is I think we have a graphic illustration what happens when we have compound issues within a title. What you have is mass confusion, including up on this dais. And I would strongly urge we break each issue into a separate resolution for clarity sake and it will in some instances make the testimony run more smoothly and it may turn out that there's no one here to oppose one matter but maybe another one. Anyway, we're continually striving as a council to have clearer titles, every bureau is going through the same process. We appreciate that. The scum is I want to address the question that former commissioner kafoury raised. Who used to sit in this seat. Was it this seat? It's a hot seat and still warm from her days. And that is the question of

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equity. If we vote to extend the bid for 10 years, is there a independent mechanism for us to address that her issues during the course of that period? What would you process if a issue she raised was worthy of further consideration, how would we do that and also address the issue you have before us.

Lannom: The administration of the bid is encapsulated? Portland city code but we could change that code if we needed to fix we vote to stepped today, it doesn't preclude us -- including by commissioner kafoury to the equity of the fee structure. You're not voting to extend, you're directing us to bring forward the ordinance that would enable that extension.

Fish: Thank you for that clarification. I thought we were.

Adams: The language, thomas, says --

Terri Williams: Terry, tax division manager, part of the thing we have to have this hearing so we know whether we can go forward with the changes and the renewal contract and everything like that. The whole purpose is identifying council's intention to renew the district.

Adams: And it also says by -- prior to october 1st, 2011, we'll return to count with answering commissioner Fish's question with the analysis completed and recommendations in all fairness.

Williams: Right, we have two ordinances that will at a minimum come forward with a contract for the next 10 years for the district and changes to that code. Some of which may have been identified already.

Fish: The net effect of our vote is to simply to direct you to come back to us at a future time with a resolution -- an ordinance that addresses both questions? Both the renewal and the question of the expansion?

Adams: Actually, there are three issues.

Adams: I'm going to -- i'm taking it from the ordinance. So if I misread it, then -- correct me, if the words are imprecise we need to change that. The first, therefore, resolved, says, will be renewed for ten years starting october 1st, 2011, did you mean to say that, or did you mean to say considered.

Lannom: Will be renewed, I think, is the intent. The district will be renewed. That's the intent.

Adams: And then desperate from that is the issue the expansion. And then there are two fecal accumulations raised in the second be if it further resolved. One is a cap for cultural institutions and the other is a potential change for the fee formula for condos is that correct?

Lannom: Yes.

Adams: That's the legislative intent.

Fritz: Just explain why we're not putting it out for bid in Case somebody else wanted to provide the services?

Lannom: The city code says the contractor must be comprised of the board and the -- members of the district.

Fritz: So the districts that have --

Lannom: District itself, yes.

Fish: If I could, again, very specifically request that prior to next time we revisit this, could I get your thoughts on both the notice question that was raised by folks who are renters and who believe their building was somehow bypassed. I would like to know if that's a systemic glitch or -- and I specific set of responses to the questions mr. Grievey and former commissioner kafoury raised on the question of assessment and equity.

Lannom: We can do that.

Fish: Thank you.

Adams: And mr. Leonetti.

Lannom: We can do that.

Adams: And I assume there's some sort of advisory group.

Lannom: We don't have a process yet. That's something we need to look at, clearly. In terms of outreach, before I was with the revenue bureau, I spent years at the office for neighborhood

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involvement in different capacities and we have no interest in necking down outreach. What the code states is that property management companies and property owners are the people responsible to be notified and from there, I think there's a void and assumption that further outreach to renters, etc., would happen. Clearly, that didn't happen and that might be an opportunity for improvement.

Fritz: We have to -- we had an offer from commissioner Kafoury she would be willing to be involved.

Lannom: Fair enough.

Adams: The expectations are you'll have a group of citizens providing expertise and represent the various views of which there are many. Lots of passion and we'll seek to do outreach. Not just with the code. There's nothing that prevents you from the doing outreach, especially renters.

Lannom: That's correct.

Adams: Any our discussion from council? Karla, please call the vote.

Fish: I want to thank everyone for their thoughtful testimony and apologize for the scheduling glitches we had today. It was an unusually crowded calendar and we do strive to be respectful of people's time and we appreciate the people who took the time to come and share their views and the issues you raised about quality of life and what's going on in the streets, I wish everybody here shares the concern you raised about addressing these issues. I know it doesn't feel like much solace, but after traveled to other cities we've done better than many cities our size in terms of dealing with the worst economic recession of my lifetime. You can shake your head but there are 50,000 unsheltered people in Los Angeles. And I'm not saying we're special but we've done better and we do not control the feeders and the breakdown of the systems causing an inordinate amount of supply problems on our streets. We have thoughtful policies in place to address the problems and what you've said, we need to do a better job. We accept that criticism. Aye.

Leonard: As you mentioned with the example of the city council person from San Diego touring our public restrooms here, I'm not only impressed with the work of Clean and Safe, I'm very proud of the work Clean and Safe did. And she left making notes about the approach that we take, the staff, certain positions in Clean and Safe, which are people in recovery. Which is -- for San Diego, as Commissioner Fish pointed out, is more of an issue there than here. And I learned in some of the those -- some of those discussions, they don't have an organization like Central City Concern. But we didn't talk -- and we didn't talk about the support function Central City Concern plays with Clean and Safe. That's -- not just the work that Clean and Safe does, but why Central City Concern is so successful in the model they use. Recovery and finding housing and jobs and all that. To the issue of the public restrooms, as Commissioner Fish spoke to, issues in the city with respect to the homeless, it has been my interest to make sure there are more public restrooms, particularly in areas congregated by people who don't have other places to go. I heard loud and clear and if the neighbors want to send emails with specific recommendations for the locations of those, rest assured we'll follow up quickly and get those installed as quickly as possible. Fair cleaned by Clean and Safe, twice a day, seven days a week and they do a really great job. I appreciate the work -- of Clean and Safe. The testimony we heard here today and look forward to continuing our partnership. Aye.

Fritz: This is one piece of the puzzle to make downtown Portland a viable and livable place and safer. And I appreciate the partnership with Clean and Safe and the Portland Business Alliance. We a sidewalk plan which Shane and others in the room participated in. And Wade is here and Laurie Abraham, it's a diverse group that meets on Mondays, 3:30 to 5:00 in the Portland building. If you're interested in participating. We get together and talk about how we can do better sharing the sidewalks downtown and includes things like the Loos and other services, and that's the Portland way. To get together and talk about things and include everyone. So I think there was some confusion. I certainly appreciate everyone who emailed me ahead of time to highlight the concerns

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and I appreciate the mayor's staff, the issues out ahead of time and there's always a good public hearing and we had a good airing of the differences and challenges and with the good staff we have, to move forward and figure out this puzzle even better. I greatly appreciate everyone being here and for all of your participation. Aye.

Adams: Well, I think the original -- the impetus behind forming clean and safe in the first place is as true now as ever. The impending cuts in federal services and required cuts in state services unfortunately, means we will likely have more street issues and the need for more services and this city council shows a one-time budget surplus for the moment, we because we cut early and deeper than previous city councils and we've devoted those resources to a variety of things, including both public safety, drug treatment, and also affordable housing. And for those of you that saw a little bit of commissioner Fish's report, you saw we're trying to do it in a way that's not a one-time, even though it's one-time money, but have sort of permanent benefit. But we need clean and safe because those federal and state cuts and our own limited resources, they're tough and it shows up on our streets. And having talked to and spent time with other mayors around the country, this is true for the biggest cities in the state that are -- everyone is feeling the cuts. And it is much worse in some cities, but that's no excuse for us to not continually to try to do everything we can and we're committed to that. Thank you all to all involved and we move forward. [gavel pounded] so approved. Let's do the second readings really fast. Please read the title and call the vote for 385.

Item 385.

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

Adams: Aye. [gavel pounded] 385 is approved.

Item 384.

Adams: Please read the title for 384 and i'm going to be referring it back to my office.

Adams: Unless there are objections, referred back to the mayor's office. [gavel pounded] please read the title and call the vote for 386.

Item 386.

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

Adams: Aye. [gavel pounded] item is approved. Can you please read the title for resolution item number 383.

Item 383.

Adams: If staff would please come forward, who is going to be speaking to this issue, there are cycles, waves, of -- of -- within every part of the city. Some are positive. Some are challenging. This seeks to deal with a challenging end of the cycle as it relates to drug dealing in hot spots within the city. I've been with this issue on and off for many years and have seen the various efforts we've attempted. But i'm pleased to bring this forward, given the prior work that the council has done, led by commissioner Leonard, to address more than ever, the need for human support, drug treatment, mental treatment. And i'm pleased to bring this forward because it is based on conviction. And prior efforts were based on mere trespass. This before us is about a limited piece of the overall effort to add a district attorney and to provide resources for a walking beat program in old town or how far we -- how far we can stretch it and the need exists. So we're going to -- it's a resolution, and once it's passed, we can go forward and complete our partnership agreement with the county. Are you -- who is giving the presentation? Oh, yeah, please come up.

Mike Kuykendall, Police Bureau: Good afternoon, my name is mike kuykendall, the director of services for the Portland police bureau and the chief's office and a downtown resident and happy to answer some questions about the proliferation of drug dealing in the city. A few months ago, the old town chinatown neighborhood association came forward and said they were bombarded with drug crime and something needed to happen to make their streets and sidewalks safer again. The first thing I did was pulled the 2010 statistics for drug crimes in the city. Just to see if what was reported by the media and residents and businesses in old town was accurate. As you can see from

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the map above, this details all the drug dealing and drug possession crimes in Portland. About 2800 of them last year. And as you can see, very clearly, old town chinatown and downtown s has been the primary recipient of drug crime. It's an awful situation they're currently dealing with down there. I met with the mayor, the mayor asked the chief to organize a drug mission in downtown old town so see if we could alleviate the issue. The mayor went out and spent an evening with staff observing how the mission was conducted and would be prepared today to offer testimony about the huge amounts of drug dealing going on. We last week went to grand jury with 32 different cases of drug dealing, drug possession, weapons charges out of this mission done last month. So it's a huge problem. As you can see, there are other areas of town where there's an increased amount of drug dealing and possession. But right now, looks like downtown and old town is really the primary focus for that particular crime. So the mayor asked if I would work with his staff and come up with a potential solution to this. What the old town chinatown folks asked for was a re-institution of the drug-free zone, which no one in the police office or mayor's office thought appropriate. I put on my thinking cap and met with police officers and came up with a plan that's back to the future, actually. Back when I was a young deputy d.a. In the 1980s, we had a program called high vice restrictions and the lines were drawn by the district attorney office and planning and support based on statistics and whatever happened whenever there was a crime of -- go to court and ask the judge to impose as a condition of probation, supervised by the judge, a -- a supervised by the judge. If they went to an area, they could be arrested for a probation violation. Back in the late '80s and early '90s, police officers didn't have the authority to arrest for probation violation. Only the probation officer could. The police would see someone violating the high vice restriction, they would have to write a report and go down to the judge, the next judicial day and hand the report over and wait for the judge or the judge's staff to make a decision whether a warrant would go out and that was too cumbersome, one for the officers and the judges and staff and we weren't successful in getting them taken into custody for violating their probation. That's why we came up with the drug-free concept. After 90 dos, if they were convicted they would get a one-year exclusion from the judge. By operation of city ordinance. In 2007, the drug-free zone the went away. Since that time, we haven't been able to teal with the problem other than with mass I have apts of overtime and the walking beats. Since the -- 2001, police officers were given authority to arrest for probation violations. If they see someone who is violating probation for whatever condition, the police can arrest and put a detainer on and the judge would hear the case the next judicial day. That's an interesting piece, a tool we didn't have in the late '80s and early '90s and we hope to go back to, there are convictions for drug crimes in the areas set by the d.a.'s office and strategic support at the police bureau. Those people would be excluded if convicted by the judge. The judge would supervise the probation and put on conditions including drug treatment and other things associated with drug crime but tell them if you don't live or work or receive treatment in these areas, you're not to be there. Let me give you an example. Every day in the courthouse. The judges issue stay away orders against a pedophile. Someone convicted of a choose -- child abuse crime. It's good for the pedophile because they have less opportunity to reoffend. Same with a gang case. If a gangster is convicted. The judge will say you're not to associate with a known gang member. The reason it's good to not have known gang members clustering and shooting at each other and it's good for the gangster. It happens every day in the courthouse where judges issue stay away orders for the benefit the community and the offender. The big thing here, in addition to court-ordered supervision versus probable cause police arrest, we have individuals that receive counsel and everyone that is convicted of a crime, will have a lura assigned to them, which was never under the former drug-free program. The people identified as drug addicts will be wired into a team and we have empty beds that we're putting burglars and car thieves in as part of our burglar taskforce and we still have empty beds and people in the drug-free areas, committing crimes, put on probation and given stay away orders will also have an opportunity for treatment. I think it goes back to what the -- to harken back to erik sten. If

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they are conviction based, we support them and the conditions are reasonable and moderated and --

Adams: And we're offering treatment.

Kuykendall: And we're offering treatment. I'd like to first say, the district attorney schrunk was here to offer his support and willingness to participate in the process. He was here this afternoon but unfortunately, had to leave. He has the head of the drug unit mark mcdonald, if you have questions, but the d.a. Is 100% behind this. The city pays for a couple of d.a.'s, the prostitution program on this isn't an up heard partnership. We've got support there. I've asked a couple of other folks to come up and testify in support. The first is lloyd pittman, I want -- floyd. Floyd graduated from the services coordination team last year and clean and sober for two years in june. Currently a student at Portland community college and on the dean's list this semester. He has a compelling story.

Leonard: A list you don't mind being on.

Adams: Yay, you can clap. [applause]

Kuykendall: I thought it would be helpful for floyd having gone for treatment in old town, and what the effect of drug crime had on him and other individuals who are in recovery. Floyd.

Floyd Pittman: Yeah, i'm floyd pittman, i'm grateful for the program. The service coordination team has changed my life completely. I do have a life today. I got off patrol in january after 29 years. Off parole in january after 29 years. June 14th, i'll have two years in recovery. But it's been something. I've been downtown 15, 20 years, by choice and it's always been like a candy store for drugs for me. I didn't need money or anything to just be there and do the transact transactions. My life has totally changed. I haven't broken the law in almost two years and it's amazing I can go down there and see the same people doing the same thing. If there's no deterrent, why change? The fact is, it was more than a candy store, more like a -- just a continual getting of all the dope you wanted on a daily basis. Breaking the law. Breaking in cars. Stealing in stores. All of that came along with it. I became so numb and insane that whatever I needed to do to get it at the time, if a dealer pulled up or came on the block, I would do whatever I had to do to get it. Because the dope showed up. And seemed to be able to walk around freely all the time awhile us who were using, went to jail. It would spark my interest to do what I had to do to get my dope. If it's there, I had to have it and nothing would stop it until I got arrested. And the thing on drug use, I think some of the spots have not been touched? That's just my opinion, i'm grateful for the service team and the opportunity to -- you've given me to have a life. I lost my mom and i'm so grateful today that I feel closer to her than I ever have right now and -- my family's in my life and just -- you know, I never thought that treatment would make a difference. I have been in treatment 20 times. And non of the treatments made any difference at all.

Adams: What was the difference in this experience?

Pittman: For me, it was just the availability of counselors -- counselors on a 24-hour basis. When I came out of prison, I had two holes in my heart and I was going to do drugs until I died. What I found, the hurt of me losing my mom and not being there I don't know how many times -- and denise, she told me I was worth it, and, you know, I wasn't really ready for that. It was a big thing and I ended up going to treatment. But during the treatment, I was able to visit my mother's grave and took me over two years to get there. I remember the night my sister called me and she told me it was our mom's anniversary and I never wanted to hear about it, because I was running from it and that was the big thing to be able to deal with that and look at that and say good-bye to her. It was like 2:30 in the morning and I was able to talk to the counselors and sit down and talk. And he allowed me to write a letter to her that night, and it made a big difference for me.

Adams: You, sir, are an amazing inspiration and congratulations on your amazing success so far, and keep going.

Leonard: It's great to see you sitting on the same side of the table as the police chief.

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Pittman: Yeah. [laughter] no chains either.

Leonard: Exactly.

Reese: Floyd and I testified at salem recently on our state law drug forfeiture, the state law allowing drug forfeiture to go toward treatment.

Leonard: Excellent.

Fritz: You were also at the downtown neighborhood association, giving back again. Sharing your story which is really helpful for people to hear, so thank you so much.

Adams: Chief reese?

Reese: Just briefly. Thank you. Again, one of the most powerful things that came out of our service coordination team obligation, they get up and make a brief statement about their transformation in their life and denise boylan, the parole and probation officer, has been very important. But one of the graduates got up and said I want to thank the Portland police bureau for making it hard to buy crack cocaine. What we're trying to do is take -- crack cocaine. We're trying to get at the low-hanging fruit so we don't have to spend a lot of resources and time and effort spinning our wheels making drug arrests that cycle people through the system. As the mayor saw first hand when he went out with our team of officers working the drug reduction mission, it's a labor-intensive, it takes a lot of resources to be effective. There's a lot of issues as you go through the criminal justice system to get to a contradiction. When we get to -- get to a conviction. If we can keep them out of that area that allows that behavior to occur and obviously in downtown and other parts of our city, we have historic issues and if we can take away that environment, it makes it much more difficult for the drug addicts to get their crack cocaine or heroin or methamphetamine. It makes it easier for the officers and know that the person has been convicted and know the judge issued a stay away order and there's immediate consequences to their action. We take them out of the area. Doesn't mean incarcerating them for a listening period. Just getting them out of there for a few hours, if they have drugs that they're wanting to sell, we can make an arrest and hold them accountable.

Adams: And their parole officer is involved. There's a whole team of folks and there is again these services, which did not exist under the drug free zone.

Pittman: Exactly.

Reese: Right.

Fish: I may not be here for the vote. I apologize. I want to -- I want to be sure I understand the components. In terms of the part of the resolution that requires special terms of probation. Is that something that we can require, we can do by -- by -- by -- something that requires a statute law change? An agreement? Does it require -- ok. First of all, the agreement of whom to accomplish that?

Kuykendall: The agreement of the judge who is -- has heard the case, whether it's a plea or trial. The goal would be that the district attorney for all cases involving the type of drugs dealt with here in our high vice area, meth, crack and heroin, they'll ask for stay away orders from that locations.

Fish: It's still subject to the discretion of the judge.

Kuykendall: Ultimately, it would be the bench. It's a court-ordered supervision. If the judge thinks it's a good idea that this --

Fish: The point I want to get at, there's two levels of protection for the person against who this -- against who this order may be imposed. The first is there must be a conviction.

Kuykendall: Right.

Fish: And the second is as a condition of probation, a judicially determined order that incorporates the stay away order?

Kuykendall: That's correct.

Fish: Both levels of protection.

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Kuykendall: And actually a third level, all of these people are entitled to counsel who would work with them and determine whether this is a good thing to have happen to them.

Adams: Advised by a attorney whether to --

Kuykendall: Whether to accept the offer from the district attorney's office or the stay away order.

Fish: In the law, there's lots of characters where there are restrictions placed on someone's behavior as a condition of -- some cases an arrest based on a certain level of finding or -- i'm thinking about, for example, restraining orders issued in cases of alleged domestic abuse. You can get a restraining order even if you haven't been convicted?

Kuykendall: Correct.

Fish: And there's other types of restrictions that the law permits.

Kuykendall: Correct.

Fish: But they require a judge to determine if there's a sufficient legal basis and subject to some kind of appeal?

Kuykendall: Correct. And the standard for a judge is beyond the reasonable doubt. And the other was a probable cause from a police officer. So the standard is higher as well.

Fritz: Just to clarify, we're not adopting any exclusion zones like the parks and gun zones -- not a map or anything?

Adams: No.

Fritz: And we won't be asked to.

Kuykendall: For money for the deputy district attorney who will handle this program and \$120,000 for the walking beat, the very successful walking beat program. It's not just old town chinatown, but there are other areas of the city that could benefit from this type of probation conditions as well.

Adams: If I can answer a piece of that question. The district attorney using the data, will decide the boundaries of the --

Kuykendall: Correct.

Adams: -- hot spots.

Fish: Could I ask one other question. Sorry.

Kuykendall: Sure.

Fish: We've discussed the legal and the constitutional basis for this action, and on the -- on the -- on the practical side, to what extent does this result in simply a displacement to adjacent neighborhood and what data do we have on that, that we're not shifting a problem from one place to the other?

Kuykendall: I can answer that.

Adams: If I could take it first. I -- I -- the displacement, because a key part of this is the opportunity for treatment. So the idea is there will be some -- likely be some displacement, but because this is post-conviction and the goal here is to actually as the chief said, deal with the underlying issues that causes a lot of this drug dealing and crime, is our hope is that the displacement will be much less than when it was simply a trespass based on arrest and there's a lot of revolving doors. And in addition to making this stick, because the courts and whole team are involved and treatment is involved, my hope is that displacement will occur, we'll follow it but it will be less.

Leonard: If I can take a stab at this and to the extent that I get this wrong, I was schooled by then officer jeff myers, now detective. But I think the better description of this program, at least from my perspective we're taking action on today is to plug back in a hole that was created when the district attorney quit funding the position that was part of the early successes of the service coordination team. So in other words, I -- I have never -- since i've been on city council and voted for a drug-free zone and originally I was the only person, including commissioner sten, I mute add, that voted against drug-free zones. I felt it would just the problem to another neighborhood. Mike

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reese was commander of a precinct and oversaw the service coordination team. As I understand the process, the renewed funding the gap that's been created. When a person is arrested for buying drugs, they now, as opposed it getting a citation, which they used to get back before we started this program, will go to jail because we, the city, funded jail beds. I'm not sure we need to do that anymore as part of the program. But when we first started the program, we had to fund jail beds to type of \$1.3 million to only up a unit of 57 beds. Thus the name "project 57." so we had to give officers a tool other than a ticket to give someone so they could land in jail. But if you just put someone in jail, you don't actually get to the root of the issue they were dealing with. So we discovered we needed to come up with another \$500,000 to fund treatment programs and we went to the county and augmented the budget they could not afford to create treatment beds for a variety of different levels of offenders, all the way from people, post-prison release to, you know, first-time offenders but created drug fremont. But in order to get -- drug treatment. But we had it take the people that were arrested and get them in front. A judge and have conditions of parole put on them and one the conditions -- these are judicial decisions, not legislative decisions that we make or administrative decisions that the police bureau makes but judicial decision. You and floyd, in between burnside and flanders and front avenue and Broadway, we better not see it. If we do, you're in violation of your parole and I bet you've heard that before. You get to go down to the 10th floor of the justice center and that happened over and over and over. And then somebody like jeff or somebody would say, you didn't hear the message, the message should get to stay? Jail or go into a treatment bed and this is the revolving door you find yourself in this brand new approach we're taking to treating people who are drug addicts and getting arrested or selling drugs. As I understand it, what we're doing now is refunding that original approach of -- of -- of -- empowering police officers to put people in a jail bed, continuing to fund the treatment beds to get people the options that are in jail to decide whether or not they want to stay in jail or go to a treatment bed and if they think they're going to game the system and head back to third and -- and couch, part of their post-conviction conditions of parole are they aren't supposed to be there so they go back to jail. And thus, we find success when people ultimately realize this is a well thought out serious approach to drug dealing and drug purchasing and drug use in old town.

Kuykendall: It certainly drove down crime in downtown by about 35%. The original program with jeff meyers. We hope to replicate those successes and even more important is the human capital. The lives we can save.

Fish: To the extent we don't have a bed to put someone in, the question about the possibility of a displacement. The answer is, yes, but we don't want the congregation in this area and --

Reese: And historically, these areas have decades of -- we've experienced decades of this being the center of the drug culture in downtown and certainly, ed blackburn from central city concern was speaking about it last week, in that this isn't a five-year trend or a seven-year or 10-year, this is decades of drug issues in the old town area.

Leonard: The issue of displacement needs to be -- needs a very direct response. Because if what we were doing was displacing, I would revert to my prior opposition of this kind of approach. But the fact is I think -- I think the bureau had run numbers on people who committed offenses and the list was like 350 long. So you had a person who was the -- who actually had a name, a person who could have committed the most offenses that was continuing to offend, but as they started identifying those folks in old town and beginning this process, what we found was that -- that people once they successfully completed the program, mirrored floyd's experiences and quit offending. So the most -- the more prominent offenders dropped out of the system which created beds for people not as high up but then went to the top of the list. I think the success we've seen and be interested to hear austin talk about this more. The phenomenon we discovered, we started eating through the list so we weren't just taking people and moving them away, we were giving them tools to get a job and husband and move away and getting through and actually fixing people

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and permanently changing the direction of people's lives, the effect we liked was dropping the crime rate and not just moving it to someone else's community.

Fish: I apologize, I have to go. I appreciate -- I support the approach and I will simply leave with you -- i've heard from a number of people on this issue and among the most compelling testimonials are from people who live in the impact areas who are dealing with issues of recovery. And if we're serious about helping people kick their addiction and creating a safe place, we cannot at the same time, people coming in and engaging in behavior which people are trying to kick and get away from. And we wouldn't let certain kinds of convicted criminals to be in close proximity to a daycare center.

Reese: Absolutely.

Fish: I appreciate the creativity of the approach but I won't be here for the vote. I apologize.

Fritz: I would like to finish my questions.

Kuykendall: Yes.

Fritz: Once they come in front of a judge, the judge imposes the sanction and if the defendant was amenable to it. How will we know what the sanctions are? We had a lot of discussions for the gun-free zone.

Kuykendall: The district attorney office will impose the standards they've done in the past. The new d.a. -- there are certain cases right now that go to community court. Low-level possession, a crack pipe. Get a \$50 fine, so those individuals in that group will now be prosecuted for the crime and be put on probation. Those are not going to result in prison but probation. We'll have more on probation that are drug addict the, offenders but other than that the conditions will not remarkably change other than the request for a stay away order.

Fritz: If the person is in a treatment program and happens to be the area --

Kuykendall: Every sentence will be individualized. The judge might have a heavier sanction, but we're going to add one more condition for people who commit meth, crack, heroin type crimes.

Fritz: And I heard you say we have treatment beds which are not filled and someone could come up to a officer and say I would like to go to a treatment bed tonight?

Reese: I'll let austin speak to that. The treatment beds are probably full but people go through treatment and drop out. When we find them and they're violating probation parole, we find them and get them clean and sober and back into treatment and that works, that cycling from jail and treatment and fall off the wagon back in. If the treatment beds are full, outpatient through voa and housing through central city concern. If a treatment bed isn't open, we can get outpatient care until a treatment bed opens.

Fritz: What i'm hearing, prioritizing the treatment beds rather than the jail -- this doesn't fund jail beds?

Reese: No.

Fritz: It funds the reestablishment of a walking beat. Does that mean more officers?

Reese: In the past, we had two officers seven days a week, six, eight hours a day, walking in the impacted areas. The council funded that for two years, it was successful. Again, it's part of holding people accountable and identifying those who are causing the most problems and if they're drug dealers into prison. Some of these folks who are dealing are making a loving off the backs of addicts. It is a lot funding overtime for officers.

Fritz: Overtime?

Reese: On a walking beat in the impacted areas.

Fritz: I would like the cost effectiveness of overtime rather than adding staff. My final question: How much do we have left in our contingency? Find that answer before the end of the hearing.

Kuykendall: I would add one interesting thing. To put on my clean and safe hat. The first two years of the program, clean and safe put \$250,000 into buying the beds because the city hadn't yet adopted the concept and the city began funding it at the \$4 million mark.

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Adams: We have 27 people signed up. Which is a lot. If you can stick around and austin, if you can stick around in case there are questions. But I want to get people up to testify and if they need to leave, they can. Karla.

Adams: Welcome to city council. Please take a seat.

Adams: All you need to do is give us your first and last name and the clock helps you count down two minutes.

Wade Varner: I'm wade varner, the founding director of homelessness in America or haha as we're known to our friends. I've sat here since 8:30 listening to stuff and shocked how much money has gone into the enforcement side of clean and safe when, you know, just putting these figures through my head, we have approximately \$2,000, \$3,000 homeless and the veterans pays \$450 of my rent. If that's average, just two or three officers of the officers in clean and safe could darn near put the entire homeless population of Portland in beds. Where we could use the shelter system, for people fresh on the street and need treatment and stuff like this. The idea we're going to have a drug-free zone, we're going to do this and do this, why do we need a drug-free zone if we have that? If we have walking officers. You could let the clean and safe armed officers do the daytime patrol and the police do the night time when it's more dangerous. I've had people say they are not going into that neighborhood by themselves, because it's too damn dangerous. I'm talking about the police. O.K. these are the police that are saying this. I was attacked last June and again two months later by the same two guys that I've identified to the police, and still nobody's in jail. That's the kind of enforcement that we need. We don't need a drug-free zone or prostitution-free zone. We need the people paid by the city to do the job they're paid to do. Why are we throwing our money away for officers, like clean and safe, when they have no authority for arrest or anything? All they can do is call regular police. Why are we paying \$40,000 a year to be an armed police officer to do that, when we could spend more? It costs 27-cents more, a day, to keep a person in permanent housing than in shelters. Why are we wasting our money year after year? I was part of bud clark's first homeless project.

Adams: Thank you, sir.

Jason Kersten: I'm the executive director for haha. I'm like floyd. One of the stories that treatment has helped. Treatment can't be forced on some of us on parole where we get the drug package and said if you don't do this, you're going back to jail. Isn't that the same? I was speaking with the commander a few minutes ago, we go into the system -- ago, we go into the system and want to talk to a counselor. That process can take from 14 to 45 days. Isn't that the same as housing somebody that has yet to be charged, convicted of it? They're still waiting? I want to see more programs like voa. But I was able to do it on my own free will. My PO didn't say, This is what you need to do or else. As long as we force people to do things, as we all know, we've done it. Someone prods us, we're going to go in the opposite direction. But when we have opportunity and people to help lead us in the right direction, that's where people like myself can stand up and give credit to the system. The way our system is failing us, how do we fix it?

Adams: Thank you for your testimony.

Kersten: Treatment on demand is what we're talking about.

Adams: Hi.

Trillium Shannon: Wow, just a commentary. You all seem to have a very idealistic view of the justice system and I would like you to keep that in mind. I don't know if you've used a public defender. I doubt it. It's safe to say none of you have been a target of racial profiling. However, as a -- i've witnessed racial profiling and over a decade of producing programs for kboo community radio and talked to Portlanders targeted on -- targeted based on their race and I'll add class. I've talked with families and friends of people who've lost their lives with race and class being an undeniable motive in the trigger happy response of Portland police. Despite the perception of portland as a progressive place, the city council's approval of measures which criminalize people of

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color and poor folks in our city -- that would be sit-lie ordinances, anti-camping bans and drug-free zones -- is nothing progressive. Passing laws that punish people already vulnerable does nothing to get at the root causes of their problems or homelessness. So the whole thing innocent until proven guilty doesn't really come into play when it's profiling. Our time and resources would be better spent on programs that eradicate poverty and provide opportunities for people to make choices removing barriers to housing and employment for people coming out of jails and prisons who are disproportionately people of color is one example of a concrete way to address this problem. Two minutes is not enough time to voice more than a few objections it just scratches the surface of this overarching problem, which is the creation of a criminal class in our city, in order to serve the desires of business and middle and upper classes. I request that the city council sit at the table with the effected communities including members of groups like Oregon Action, Right to Survive, Portland Copwatch and Sisters of the Road to name a few. The city government has an obligation to prioritize the lives of people who are living with the extreme inequities inherent with this system and not only listen to those who can bring dollars. We can only build a livable city if all people residing in our city are included in the creation of solutions. When can we meet with you?

Adams: Give me your card or phone number. I'm Happy to meet with you. What would be your guess, how much we spent on affordable housing and homeless services a year ago?

Shannon: He told us the last time we were here to oppose the sidewalk management, the sit-lie ordinance --

Adams: Do you remember that amount?

Shannon: Mayor Adams, I don't know the amount, but I can tell you affordable housing is not affordable for poor people. It's affordable for the middle class.

Adams: Thank you. I would suggest look at the numbers and where --

Shannon: What is affordable housing?

Adams: -- we're funding deeply affordable housing. Thank you for your testimony.

Shannon: Ok, no answer.

Fritz: We just had a report on a million dollars --

Adams: Yeah, you sat through the meeting.

Shannon: I sat through most of it. I had to go out and do a few things as well. But the point is affordable housing for someone who makes what I make, your affordable housing is not affordable. For people who are homeless, the affordable housing is not affordable.

Adams: Ok. Thank you.

Shannon: \$40,000 a year, is that the income?

Adams: Less than that. Thank you. It's \$248,000 a year, and just our own local money and most of our money, a significant amount goes to deeply affordable housing. Our focus is on 20% or less of the mfi. Next three.

Adams: Thanks for your patience. I appreciate it. Today has been a very hectic day. Would you like to go first?

Ibrahim Mubarak: Yes. I'm in the minority. Can we have three minutes? The people before us had three.

Adams: You can have three.

Mubarak: Thank you much. As a homeless advocate I see a lot of things while walking in the streets and I came across an article, 1992, the Portland city council instituted a drug-free zone. It's if an individual is arrested for a drug crime, he'll receive a exclusion banning him from the neighborhood for 90 days and arrested if he reappears in the neighborhood of arrest, subject to immediately re-arrest. Having committed no crime at the time, hasn't been convicted of the original crime. Now in the city -- the city officials in old town, chinatown, relies on the business of -- the prostitution solution. This is unconstitutional and profiling and targeting. How can you exclude the public from public property? And if you do that, what if they live in that area? You create them to

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become homeless. That's where my job gets busy. I went to the old town chinatown meeting when they were drawing these guidelines and they say that all of the african americans come from the northeast with drugs and guns downtown. To me that's profiling. It's more than african americans downtown selling drugs. And I say targeting because they sell the drugs to the homeless people. I was talking with a group of people -- we go under the bridge and talk to the homeless that's sleeping under the bridges and a guy walked up to me and said, do I have a 20 rock. Why did you approach me? He wasn't homeless. My concern it's going to create nepotism, an attack on people that are poor and has nowhere to go already. Some people self-medicate. All homeless people do not buy and sell drugs, all blacks or african americans do not sell drugs or in gang activity. My concern, if you really want to get the drugs out of the community, the city, don't allow it in the country. That's the only way, but you need to reword this. I'm having -- destroys the families and economic system and that person. But I think it needs to be reworded and involve people like lara who have been there and know what to do and have a dialogue with people like that.

Adams: Thank you very much. Appreciate it. Hi. Would you like to testify now?

Lisa Fay: Just a second. My name is lisa fay, with right to survive. The fact that you want to target me or use me as an excuse to rid the downtown areas, I find phenomenal. Vagabond. Bum, tramp, homeless -- whatever you choose to acknowledge people like myself. We're not all degenerates that aggressively panhandle, buy, sell or use drugs. Not because I chose to become unhoused, but the economy and poor planning on my part led me down this road. My clothes are clean, my hair is washed, I clean up after myself, I don't walk around in urine-soaked clothes. Giving you people reason to stick your nose in the air at me, walk with blinders on or make you step over me. However, this isn't why i'm here. I'm here because of this drug-free prostitution zone. I'm for cleaning up the drugs, removal of dealers and arrest of individuals buying drugs. I object to targeting the homeless as the primary buyer and user in the downtown area as an issue for this reinstatement. That I find disturbing. Objecting to assumptions that the african american men come to chinatown to sell their drugs to the homeless is the same as saying the rest the city doesn't have a drug problem. There aren't sellers of drugs by other races -- whites, hispanics, asians. And the working people and respectable and their teens are not housed, would not ever think of such an act. A little insight. The respectables find the idea of substance use a taboo topic amongst themselves. Something swept under their vacuumed rugs and excuses made when it's in their home. It's unfortunate that you don't have compiled statistics on trespassers and vandals and thieves that have an income destroying property and stealing from businesses. This exclusion zone will reduce zones in the excluded off areas like downtown, however, as a rule of thumb, buyers and sellers, as long as there's a demand -- and sellers, as long as there's a demand will move to another neighborhood. May I suggest your neighborhood? Clean and -- tramp, bum, homeless woman -- however you label me, who does not prostitute myself either, I would welcome the soft manicured grass and -- welcome the soft manicured grass and quiet of your front yard. Maybe I could help you spot the drug users and dealers on your block and around the stores you frequent in suburbia.

Thank you.

Adams: Thanks. Hi.

Chani Geigle-Teller: I'm chani and with sisters of the road. I just have to start by saying that i'm - - i'm really appreciating remembering this happened once before and again, we have to say, love affordable housing, like the more the merrier, but no matter what, we can never trade it for civil rights. That's really important.

Adams: I agree.

Geigle-Teller: Thanks. So as I sit here that you can talk being budgets and going through the budget process, we don't have a lot to look forward to right now across the country. Around the country, social service budgets that create safety nets to provide for citizens most basic needs will be slashed or disappear completely. Every penny counts in the lives of our most vulnerable. Over

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the last couple days and weeks, at sisters we've -- days and weeks, we've had conversations with partners and people impacted by the new exclusion zones, which they are, as well as the mayor's office and the district attorney's office and it seems obvious this issue needs to be approached cautiously. We were told by mayor Adams' office the resolution would get \$250,000 in funding for a criminal enforcement plan that's not finalized or -- by the d.a.'s office. There's no like concrete information. I've been called everyone in the city, I swear to god. It seems egregious to us this council would move forward on a funding policy how it would create safer communities. There's a long waiting list to get into housing and treatment. You can't walk up to a officer and get into a bed. I promise you that. I would love to see more research done by this council into that and please don't take a police officer's advice, whether they're the chief or not, how addictions policy works and runs every day. Go to the experts that are pulling their hair and talk to the case managers and people trying to get into treatment. It's amazing that there would be empty beds within the service coordination team. It should never take an officer, a prosecutor, a judge, a probation officer and guards to get those filled. Our neighbors deserve the medical help they need when they need it and we know that these are systemic problems, not criminal justice issues. What's stopping us from shifting this conversation? Can we start funding the society we want to see? Give the money to schools and medical centers and housing and jobs? Yes, we could. Wouldn't it be amazing to have a society where any citizen has the right to an education and a living wage job so, instead of selling a \$20 crack rock, he could walk inside and purchase an \$80 sweatshirt. Let's not talk, let's make it happen. There's many who want to be at the table with you and we've felt excluded from the process and it's not going to work and there's certain folks who do similar work to us and are on committees already. I heard --

Fritz: [inaudible]

Adams: She's talking about the sidewalks.

Fritz: [inaudible] that was what doreen was referring to.

Geigle-Teller: Thanks, that's good to know.

Adams: Thanks for your testimony.

Adams: Who would like to go first?

Rob Moody: I had outlined a number of different things I wanted to say but I realize there's time constraints at this point. I think a lot of people that addressed the things about civil rights being only those who want to be treated can be treated. A lot of the truth is a lot of these people suffer from mental illness who will be in the net and a lot of these people are young people and a criminal record is a black eye. A very big black eye. I'm 38 years old. I live with stuff I did 10 years ago and I can't get jobs because of it -- I don't want people arrested for something small and something they may regret later, greatly. My other thing is as far as the money allocated to this, I think the money could be used for other things. Like say, instead of enforcement and prosecution, maybe opportunities like jobs. Mental healthcare and a chance for people to at least feel they're equal to others in their community. Feel they're equal with you and her and everyone else in this room. And that's all I have to say.

Adams: Thanks for your testimony. I appreciate it. Hi.

Teri Lieght: Hi. Teri Lieght. And I have to address the racism I see. The courtroom, here, and people who hold power, how many are people of color and we have one person who was a victim here, the one black person who brought testimony here, [inaudible] and I don't know what racism feels like, i'm a white people. But I know that classism and feeling what it feels like -- shunning feels like and I know what it means to be a minority and some have that feeling and understanding. That's real pain to be shunned by the community. Real pain. Am I talking about drug abuse? I'm sick and tired of the policing and not looking at the roots. We have to do a heart searching to find what the roots are. Finding and policing people and giving them a record, a black eye, that's a power play and when I heard you talk, it's about -- i'm remembering my father, an alcoholic,

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wanting to give details and i'm going to be logical with him and he's going to win every time because it's about power and it's about rationalism and feelings cause pain and drug abuse and violence in the streets because people don't know how to communicate. We live in a society where communication is not happening. How can you address that problem of communication, that's a big deal. And I see with -- leo is reminding me, we live on land where people have been murdered and people used to know how to live, and there were Fish and there were -- and there were birds and trees and we knew how to grow anything. How many people here know how to grow something and survive if this whole economic thing goes down? Here's the whole process, I want to remind you we're white and try and think about if you're not a person who is white and you get profiled and a black eye and you appear on the mission walking around. There's classism and history here. And there's a white european history that got brought here. How are we going to address it? Thank you.

Adams: Thanks for your testimony.

Leo Rhodes: Name is leo, i'm a homeless advocate. Sorry, i'm a little bit disturbed, not only by this but I also just came back from the memorial service of the homeless individuals that just died last year. When we talk about money, talking about this \$250,000 that is going toward the people walking around, drug dealing and all of this stuff, that is needed, yes, but to me, life is more important than that. Housing, getting people inside. We as homeless people are concerned about it also and it affects us too. That's why we're talking about helping out this. Racism is here and everywhere. But the racism I see is within the police department. Meaning that i'm clean and sober, i've told you that every time I come up here. But every time I talk to a cop, he always asks if I have alcohol on me. I'm clean and sober, but he still questions whether I have it or not. When I finish my talks and ask them why they ask that, they always tell me I have to put you in the same pot. Every homeless individual has to be put in the same pot. We're not individuals, we're all victims out there of this. Of what the police look at us and how they deal with us. We're all criminals, all alcoholics and drug users -- alcoholics and drug users, there are some who are trying to get off the streets. But these laws and exclusions, we're being harassed. We do sympathize with the business people out there, but you got to remember, we're victims out there too. This does happen and does affect us too. We do want to help and be at the table and say -- explain what's going on and how we can help. The minorities, also, just like I had said before when I have brought the issue up -- is it because i'm homeless or native american that they ask if I have alcohol with me? That's what I want to say, you know, just the money, this is needed but housing, shelters, we need to get -- shelter, we need to get people off the street and if you do, there will be a stronger community out there and let's work together and not have the us and them kind of thing. Which seems that's what we're working at when we're not invited to sit down as minorities and individuals as someone affected in the community.

Adams: Thank you.

Rhodes: Thank you.

Adams: Thanks for your testimony.

Adams: Thanks for your patience. Appreciate it.

Howard Weiner: Thanks for yours.

Adams: Who would like to begin?

Weiner: Howard.

Adams: Thanks.

Weiner: I'm howard weiner, the chair and founder of the public safety and liveability committee in old town chinatown. Spent the last seven years in old town, and seen the changes that have occurred and the good work that's been done by the faith based and non-faith based social services and been a leader that's tried to bring people together from all constituencies. The issue, quite frankly, what we're talking about is the brazen drug dealing in old town chinatown. The folks who

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brought up this issue are the folks who live 24/7. I go home, i'm a business owner, but the folks in that neighborhood are the ones that started coming to our committee and voicing concern and asking for leadership and what could we do to break the back of this insidious crack coke -- insidious crack cocaine? Folks in recovery have been some of the loudest voices to come. It's not been led by the business community. I want to make that sure. We've been at that table and voiced our concern. It really started with this particular effort with the stabbing and the death of an individual 50 feet from my store and although I can't say 100% sure, I believe it was drug-related and 5:30 in the morning. We've asked for relief and the mayor's taken leadership in the matter and this is only one part of the recommendations we've made as a community but we need help and the idea of a drug-free zone, even though we put that out is really the hook for the discussion. In the end what we wanted was to have something fair, something based on convictions and something that really the community could buy in. So I know you have a lot of other folks but I want you to know we're thankful for the effort from all of you and I know that you know the situation in old town and you'll give us some relief.

Fritz: Thank you for clarifying that's where the request came from.

Weiner: Oh, yeah.

Marvin Mitchell: I'm Marvin Mitchell executive director of the Julia West house. Thank you for this opportunity to speak. I support this proposal because we work with many people in recovery. We've seen some amazing transformations. We've also seen many people start down the road to recovery then fall back into usage and addiction. Recovery is a roller coaster ride at best. People in recovery are fragile. It is very difficult to sustain a change in life style when you are constantly assaulted by people on the street, offering, urging even insisting that you take the substances they are merchandising. We've learned that very small things can trigger a relapse for a recovering addict. We had a staff member, a former longshoreman, a rugged guy who could withstand a lot, who was recovering from a twenty year heroin habit. He had turned his life around. One day he and I came upon two young men sitting on a bench on Morrison St. between 12th and 13th on the North side of the street. This was the long side of the westbound max track and just outside of a wrought iron shed enclosing a play area for the day care center for the church. One of the guys was sticking a syringe in the neck of his friend, and this was in broad daylight in the middle of the day. Things are that far out of control with drugs in downtown Portland. Coming on that out in the open to shoot up really impacted Troy. He'd been successfully dealing with living in clean and sober housing, that wasn't clean and sober. Shortly after the Morrison street incident, he resigned. He's moved on, still taking care of himself and he's continuing to recover. But we lost a good staff member because of witnessing that shoot-up right in the open in broad daylight. We have lots more examples of drug dealing and use on the sidewalks around our area in the West end. We think this proposal to add a dedicated area is critical for everyone. It provides a healthy path for those who are apparently lost and without hope. This proposal will improve livability and safety in our city for everybody. Not using every tool we have to discourage open sales, solicitation and usage is neither reasonable nor responsible. We support policies that focus on our guests and their potential, rather than focusing on their addictions and disabilities.

Gary Cobb: good afternoon, councilmembers, i'm the community outreach coordinator at central city concern. I wanted to start by a little rule of thumb that we should follow. The disease of addiction does not discriminate. Our approach is to helping folks in their addiction, it should not be discriminatory in any manner whatsoever. I heard a lot of great things here today. And you know, i've been in recovery of addiction for over 10 years. Along with that was a long, long, hard, bad, bad life of criminal activity. And you know, I would like to introduce right now to the council, you mentioned something about the residents who live in recovery-based housing at the corner of 6th and everett, I want to make sure that this petition -- there are about 30 folks here who can join us today. However, I brought a handful of folks who, you know, tend to support what these residents

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feel, living in an environment that is pretty detrimental to their day-to-day activities as men and women in recovery. It's pretty clear to us that, you know, we all are in this thing together. A couple of things that are clear, no matter how you look at it, drug addiction, criminal activity, behavior that supports that is not cool. It kills people. And you know, what is cool is actually trying to work as neighbors and trying to find a solution, so folks that experience all that behavior, like us here, can turn this around. We know it can happen I know it's interesting how budgets look and how budgets work. And it isn't as it seems. I appreciate the amount of money being put to the central city concern, endorsing the resolution as is. I support it as a member in the community, and so do the residents of the sally mccracken building.

Adams: Thank you. And congratulations and thank you for your great work in recovery. We appreciate it. [applause]

Cobb: Thank you.

Fritz: I just want to thank you for taking the time to be here all afternoon and for the petition you sent in. It is evident that this is about all of us, not about us and them. This is about taking care of protecting everybody living downtown, whether you live inside, outside, in recovery, whatever. It's about following the laws and also providing treatment. So it's not an either-or. Thank you so much for coming down. Thanks, gary, for your leadership.

Cobb: You're welcome. Thanks.

Adams: thank you for your patience, we appreciate it. [names being read]

Adams: Would you like to begin, ma'am?

Judy Van Alstyne: Yes, thank you. Thank you, mr. Mayor, council members. I am the cochair of the public safety action committee in downtown and old town and I also sit on the old town neighborhood association board. Today i'm here representing bill naito company and the seventy businesses we have in our properties in the old town area. I have to tell you this is not the first meeting i've been to of this kind. I've sat through austin's graduations, and they are truly some of the most beautiful things i've seen, it's very touching. I'm here as a business owner representing the tenants and businesses on our properties. The success of my job depends upon how we lease the properties in old town. We are landlords of historic buildings. We offer break walls, a bring your bike to work attitude, bring your dogs to work attitude and it's creating space in old town. None of these amenities mean a thing if people feel their safety is in jeopardy. During the last six months drug-dealing, drug use, crack alley, harassments and danger are the words that have crept into our tenants' vocabulary. This concerns us. Week before last a broker toured a space for a potential tenant. In the hall the potential tenant asked a passerby if he was worried about the drug-dealing going on in old town, as reported in a local newspaper. Recently an architect said her employees were concerned about the drug dealing and harassment they were subjected to under the burnside bridge while walking to work. As a property manager i've been dealing with the one feel-good attitude tenants had about this creative space, and now the same tenants are worried about the safety that they are incurring. Mayor Adams, we support your impact plan to reduce drug dealing. We are thrilled to see a possibility of a walking beat returning to the streets of old town, and the addition of a full-time d.a. to assist the violators. I commend you, your staff, the police bureau, for the quick response to this matter brought up a few months ago. Thank you.

Adam: Thank you, sir.

Jamie Dunn: My name's jamie dunn, I own a club on the corner of broadway and everett. I am a board member for the pearl district business association, and i'm here representing this business association, as well. Thank you for your time, thank you very much, commissioner Fritz, for the great dialogue i've had with you since november, december, when he actually started this process. I'm not quite sure, i've heard an awful lot today from people, and I think that the perspective I might be able to offer is simply one of the past six years and what i've experienced in the neighborhood. What I saw when I originally came into the neighborhood and what happened. Essentially that is,

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when I first moved to Portland about 10 years ago I came from Chicago. I recognized my location as, for lack of a better term, the 50-yard line with expansion of the Pearl pushing east and the expansion of downtown pushing north. It was sort of a no-brainer for me. Particularly with a boutique hotel that never really materialized. I'm excited about the group and the changes happening in the neighborhood. Things were really positive and looking up when I moved into the neighborhood in 2005. I would have customers call me and say, is it safe to park down there. I have to be honest with you, I laughed and we had a good joke about the fact that we're on Broadway, of course it's safe to park, we're downtown, well lit, no crime, I'm not sure what the stigma is attached. Old town certainly is colorful, but safety has never, ever been a concern. Unfortunately, about six, eight months ago I had employees come up to me and, for the first time in my business career of almost 15 years, in Portland and in Chicago, employees came to me and told me they were afraid to go to their cars at the end of the night. Part of that is our hours are such that we serve the full dinner menu until 2:00 a.m., and we have later hours and see a different perspective than maybe daytime people do in the neighborhood. It was alarming to me. I started to pay attention and got involved, and was real happy to find the response and see that city government was going to engage in a dialogue, which means an awful lot. Recently I've gone from having a neighborhood -- bless you -- you know, safety was never an issue, to, you know, a good example in broad daylight would be a week or two ago I walked out my front door around the corner, and the drug dealer was selling to the user and the user was lighting up. The dealer said to me, you don't own the block. People were arrested with shotguns in the neighborhood. So there's certainly some issues that have come up. I have to say that I fully support the IDIA initiative, and the other programs that go along with it. I would point out, too, and commend the city, that on the two blocks to the north of me and the two blocks to the south of me, the Bud Clark Commons and the Central City Building going up, that the city is committed and absolutely taking care of the other ends of this issue. I'm really excited to see some support behind the public safety issue that's taking place, as well. So thank you, again, for your vast response and thank you again for your dialogue. It has been fulfilling to go through this process of government.

Fritz: I appreciate a constructive approach, too. What's the name of your business?

Dunn: It's called Gilt Club. It was named for a happy little chicken raised 20 miles south.

Fritz: You and others have been extremely respectful of people who live outside in your neighborhood and recognizing the challenges of safety are worse for the folks who live outside. Response to Ms. Faye's comments and others, it is a shared concern.

Dunn: I own my house near the PCC Cascade campus. When Old Town's all cleaned up, I'll start to focus in my neighborhood in Jefferson, as well. I'm really excited, this isn't just about Old Town. Something I didn't hear was the IDIA is statistically driven. So you know, it's about 82nd Avenue. I have a feeling that statistics wise it's also about the corner of Killingsworth and PCC there, as well. To see the city take a holistic approach is really exciting for me, as well.

Fritz: Thank you.

Adams: Mr. Trujillo.

Steve Trujillo: Thank you, Mayor. I'm with a church that's devoted to serving downtown and in the greater inner city neighborhoods. A week ago last Monday I went to a bus station to help a young man get to his brother's funeral. As I crossed, a man came to me and offered me drugs. I sort of said no thank you. He insisted and followed me. Within half a block I was pursued by three drug dealers, right there in the gateway where transit brings in people to our city. To me, it's unacceptable. It's sort of this reprehensible thing that has really taken hold of a neighborhood where drug dealers believe they own it, they own the street. Like the gentleman just said. I think it's been so well said, this is really about protecting folks who are trying to recover. I have worked many years in that field myself. And it was really, truly about bringing public safety to those who are the most vulnerable. It's not just the business folks, it's the folks working, the people who feel

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vulnerable. It's women, it's children, it's those using our streets wherever in our city. I want to thank you because I know that churches and civic groups can do a great deal of work, but we cannot do public safety. That's government's job. I want to thank the mayor and those supporting this initiative. I really think going forward this initiative is going to be -- it sort of skips and bypasses the missteps of drug free zones, and I think it does it in a way that's dignified and works and goes along with our laws and our nation. I want to thank you for supporting this initiative and I hope you will vote yes.

Adams: Thank you very much

Adams: How many more after that?

Moore: One more. [names being read]

Shane Abma: I'm with the Portland business alliance. I'm going to toss my prepared remarks in the interests of time. The word i've heard the most in the last couple of months, we're talking about drugs downtown, is brazen. As we have heard a lot of testimony, the other term I hear, broad daylight, broad daylight. We do have a real problem right now with downtown drugs. I strongly support this resolution.

Dave Williams: I'm dave williams. Mr. Mayor, commissioners, I have a couple hats on again this afternoon. One is the assistant crime commission board member, and also of course the vice-chair of the clean and safe group. I don't want to extend the comments much further than to say we truly support the notion of this initiative. It's not an either-or, it really is combination of multiple tools that need to be in the toolbox that are appropriate and really hold people accountable, and ultimately the support of lots of services is also appropriate. On behalf of those two groups I represent there, I should say I represent myself as a downtown liver and person that works in the old town at northwest natural in our headquartered office there. I also care about it personally. So I completely support the notion that you would also support the initiative. Thank you.

Suzanne Hayden: Good afternoon, mayor and commissioners. Suzanne hayden, i'm the executive director of the citizens crime commission. The commission supports the city's efforts and the police chief's efforts to respond to the crime trends in old town and chinatown particularly. The citizens crime commission and the Portland business alliance and office of neighborhood involvement hosted a Portland business safety summit in february. And 50 to 60 business owners and managers came to that. A little roundtable. At that time the overwhelming comment had to do with some really heartbreaking personal observations of drug-dealing in their place of business, right outside their place of business, and affecting their employees. Those comments were repeated here today. The same type of things. We really applaud the efforts to rapidly respond to this issue. And funding of the deputy district attorney's position is really crucial, that's a key part of it, that the district attorney's office has taken some major hits in their budget. So we really applaud the efforts of the city and county to work on these kinds of collaborative efforts. And to provide cover for both the residents and businesspeople in the affected areas, and the people in recovery. So thank you very much for allowing us to weigh in on this.

Fritz: Thanks for waiting.

Adams: Thanks for your patience today, we appreciate it. Unless there's different discussion of the staff, could you please call the vote, Karla.

Leonard: In spite of what some testified to, this is not a drug free zone ordinance or anything like that, as I said earlier. And at the risk of repeating myself, I have never voted for one of those, I don't find them effective for the people or communities involved because it displaces a problem from one community to another. What this program does is -- i'll give you an example. If somebody buys or sells drugs they will get arrested. If they get arrested they will go to jail. Once they're in jail, they will have all the constitutional rights afforded to one that has been charged with a crime and they can choose to either plead guilty or not guilty. If they choose to plead not guilty, they can go before a judge or jury of their peers and have a trial. If they are found guilty, the judge

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will, if they don't send the person to jail or prison for being convicted for that crime, put the person on probation with some conditions. That's a very common thing to have happen. One of those conditions could include participating in a drug and alcohol treatment program, and from staying away from where drug dealers are at, a very common thing. Some have testified, yeah, but you can't make people go into treatment. While it's true there are many people who go into substance abuse treatment programs voluntarily and succeed, it is just as true that there are many people who go into drug treatment programs who chose to go into treatment over prison or jail. The person in that position actually has a choice. It's been given to them time and again in the programs we've described earlier. You can stay in jail and fulfill your sentence. Or you can come out and go into treatment. We have -- we have observed a high success rate for people in that category who are motivated to go into treatment to stay out of jail. Once they find the benefits of not using drugs or alcohol or have prescribed to them what often times is an underlying mental illness, once they get the proper prescription drugs, what we've seen and heard from people here today, that their lives have turned around. Instead of their lives being defined by their addictions or mental illnesses, they get to define their future for themselves. We've seen that over and over again, that's the program Austin leads, the program I helped initiate in the city, that works very well. That's what this measure the mayor's bringing forward funds to do. I am tremendously supportive of it, I greatly appreciate the mayor's leadership in bringing this forward in the community that has testified in support of it. Aye.

Fritz: Thank you for explaining it so carefully, commissioner Leonard. It's about safety and rights for everybody, about drugs not being good things for anybody. I was a psychiatric nurse for 27 years and worked at OHSU for 22. I saw the devastation of people's lives and heard the stories. It's wonderful to hear the stories of Floyd and others who have successfully overcome drug addictions. I'm proud that we're funding services. We are funding mental health care, funding the D.A. In this ordinance for the county, we're working to add more people who can respond to people needing care. It's a compassionate, holistic approach. I know that's hard to believe, but that's how I see it and how many people are experiencing it. I want to thank those in the mayor's office and Mike Boyer in the office of neighborhood involvement for his ongoing work, and indeed thanks to the Sisters of the Road for creating the community and all the work that's being done. We are all in this together. This is going to fund the piece that will take the people providing drugs to people trying to stay clean and sober off the streets, and give them other alternatives. I support it. I'm grateful the details will be worked out by the judge. I believe that's how it should be worked out. If the judge feels the person should be in the entire city of Portland, they can do that. I like the fact that it's going to be individualized for each offender who is convicted. I appreciate the mayor's leadership on this. Aye.

Adams: This effort stands on the shoulders of commissioner Leonard's efforts of meaningful, successful mental health and drug treatment. And every other support required to help people come over -- overcoming their challenges and realize their full potential. I wouldn't be moving this forward if we hadn't had that success under our belts. Nothing's perfect, but I challenge anyone to find a better program in another city. It is holistic. And the money that, even in these tough times, the additional funding the city council has made in affordable housing shelters, emergency services, really does give credence to the -- I think intentions we have for a holistic approach. I want to thank everyone involved, thank the patience of those that have asked for the change. I want to thank Mike Kuykendall, we have a lot of work to do but I believe this is an important final piece of the holistic approach. Aye. [gavel pounded] We are in recess. We're adjourned actually.

At 6:06 p.m., Council adjourned.