



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 27TH DAY OF JULY, 2011 AT 9:30 A.M.

THOSE PRESENT WERE: Commissioner Fritz, Presiding; Commissioners Fish, Leonard and Saltzman, 4.

Commissioner Leonard arrived at 9:32 a.m.

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

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

COMMUNICATIONS		Disposition:
771	Request of Rick Sills to address Council regarding Last Thursday on NE Alberta (Communication)	PLACED ON FILE
772	Request of John Rink to address Council regarding Last Thursday on NE Alberta (Communication)	PLACED ON FILE
773	Request of Steven Gilliam to address Council regarding Last Thursday on NE Alberta (Communication)	PLACED ON FILE
774	Request of Gloria Morgan to address Council regarding Last Thursday on NE Alberta (Communication)	PLACED ON FILE
CONSENT AGENDA – NO DISCUSSION		
Mayor Sam Adams		
Bureau of Police		
*775	Authorize a contract with Central City Concern in an amount not to exceed \$1,061,077 to support services of the Sobering Station and CHIERS response van (Ordinance) (Y-4)	184760

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*776 Authorize an Intergovernmental Agreement with Multnomah County for the rental of County Public Safety indoor training rooms (Ordinance) (Y-4)	184761
*777 Authorize a grant to Central City Concern not to exceed \$988,546 for treatment readiness services, transitional housing and follow-up retention support services to chemically-dependent, homeless adult chronic arrestees and provide for payment (Ordinance) (Y-4)	184762
*778 Authorize an Intergovernmental Agreement with Multnomah County to fund services that provide alternatives to prostitution in an amount not to exceed \$120,000 (Ordinance) (Y-4)	184763
Bureau of Transportation	
*779 Amend contract with Cornforth Consultants Inc. for additional professional engineering services for the emergency procurement related to the Landslide Mitigation Project on Sam Jackson Hill Park Road (Ordinance; amend Contract No. 30002077) (Y-4)	184764
*780 Authorize the Bureau of Transportation to acquire certain temporary easements necessary for construction of the SE Division Streetscape Improvement Project through the exercise of the City's Eminent Domain Authority (Ordinance) (Y-4)	184765
Office of Emergency Management	
*781 Authorize an Intergovernmental Agreement with Clark County for distribution of equipment supplies and services procured as a result of Urban Areas Security Initiative Grant funds (Ordinance) (Y-4)	184766
*782 Authorize an Intergovernmental Agreement with Multnomah County for the distribution of equipment, supplies and services procured as a result of Urban Areas Security Initiative Grant funds (Ordinance) (Y-4)	184767
Office of Management and Finance	
*783 Amend Intergovernmental Agreement with The State of Oregon for placement of the New City Archives on Portland State University's campus (Ordinance; amend Contract No. 37444) (Y-4)	184768
784 Create a new Nonrepresented classification of Planning and Sustainability Policy, Research and Operations Manager, which is exempt from the classified service and establish a compensation rate (Ordinance)	PASSED TO SECOND READING AUGUST 3, 2011 AT 9:30 AM

**Commissioner Randy Leonard
Position No. 4**

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Portland Fire & Rescue		
*785	Authorize contract with Alder Creek Lumber Company for fire prevention, suppression and emergency response services for FY 2011-12 (Ordinance; Contract No. 30002151) (Y-4)	184769
*786	Authorize contract with Burlington Water District for fire prevention, suppression and emergency response services for FY 2011-12 (Ordinance; Contract No. 30002152) (Y-4)	184770
Commissioner Nick Fish Position No. 2		
Portland Parks & Recreation		
*787	Designate City-owned property along Waud Bluff for park purposes and assign to Portland Parks & Recreation (Ordinance) (Y-4)	184771
REGULAR AGENDA		
Mayor Sam Adams		
Bureau of Transportation		
788	Amend contract with Portland Streetcar, Inc. for Portland Streetcar Operations Assistance (Second Reading Agenda 761; amend Contract No. 33325) Motion to refer item to Mayor's Office: Moved by Commissioner Fritz and seconded by Commissioner Saltzman. (Y-4)	REFERRED TO COMMISSIONER OF FINANCE AND ADMINISTRATION
Office of Management and Finance		
789	Amend the Transient Lodgings Tax Law to clarify the time period for tax corrections to be made, tax enforcement to occur and to improve the administrative appeal process (Second Reading Agenda 765; amend Code Chapter 6.04) (Y-4)	184772
Portland Development Commission		
790	Approve the Amended and Restated Interstate Corridor Urban Renewal Plan to increase the Plan area by 185.79 acres (Second Reading Agenda 769) (Y-4)	184773 AS AMENDED
Commissioner Randy Leonard Position No. 4		

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Bureau of Water

791 Authorize the Portland Water Bureau to acquire fee title to property necessary
for the construction of the Interstate Facility Rehabilitation Project
(Second Reading Agenda 766)

(Y-4)

184774

At 9:47 a.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 27TH DAY OF JULY, 2011 AT 2:00 P.M.

THOSE PRESENT WERE: Commissioner Fritz, Presiding; Commissioners Fish, Leonard and Saltzman, 4.

Commissioner Saltzman arrived at 2:03 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Roland Iparraguirre, Deputy City Attorney; and John Holly, Sergeant at Arms.

	Disposition:
<p>*792 TIME CERTAIN: 2:00 PM – Authorize execution of a Loan Agreement with Oregon Rail Heritage Foundation to construct an enginehouse and rail interpretive center for City-owned historic locomotives (Ordinance introduced by Commissioner Fish) 45 minutes requested for items 792-794.</p> <p>(Y-4)</p>	184775
<p>*793 Authorize execution of a Lease Agreement with Oregon Rail Heritage Foundation for use of City controlled right-of-way under the Martin Luther King Jr. Viaduct, between SE Sherman St and SE Caruthers St (Ordinance introduced by Mayor Adams)</p> <p>(Y-4)</p>	184776
<p>*794 Authorize execution of a Lease Agreement with Oregon Rail Heritage Foundation for use, maintenance, restoration and storage of rail locomotives, to include a future Cultural Interpretive Center (Ordinance introduced by Mayor Adams)</p> <p>(Y-4)</p>	184777

At 2:44 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.

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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.

JULY 27, 2011 9:30 AM

Fritz: Wednesday July 27th at 9:30 a.m. Mayor Adams is on a well needed vacation this week and as president of council, I'll be conducting the meeting today. [roll call]

Fritz: Thank you, before we start the day's events and hearings, we have a welcome for -- from the entire Portland city council. To our visitors who hail from the Portland sister city. Including 24 high school students from -- close? Thank you. Participants of a global leadership scholarship to study abroad in Portland, Oregon this summer and taking part in a three-week global leadership program in partnership Portland state university. Welcome. Thank you for being here. [applause] and with that, said, good morning, commissioner Leonard. We'll move to communications. Please read item 771.

Item 771.

Fritz: Mr. Sills, welcome. You just need to give your first and last name, not your address, and the clock in front you will count down three minutes.

Rick Sills: Thank you. My name is Rick Sills. Thank you for letting me speak today about last Thursday. My special thanks to commissioner Fritz for being the commissioner most publicly engaged with last Thursday issues. As part of your engagement, commissioner Fritz, you attended a public meeting of the northeast coalition of neighborhoods on July 7th. During the last 15 minutes neighbors asked you hard questions we've been asking in our community for years. Questions, for example, like, why won't the city do more to stop the lawlessness associated with last Thursday? Why won't the city regulate last Thursday like any other large community event? Is it really because the city fears an anarchist backlash or is it the city's inaction to full regulatory compliance grounded in racism? Is it about white privilege. If last Thursday involved 15,000 rowdy African Americans, taking over 15 blocks of a major city street that ran through four different white neighborhoods, would the city's response be so complacent? During the questioning, an executive board member noted the adamant opposition of friends of last Thursday to compliance with city permits. To this comment, commissioner Fritz, you responded, and I quote, "if friends of last Thursday can fix last Thursday with orderliness and rule following and money raising without permits, I say more power to them. It's not particularly important to me if friends of last Thursday wants to do it in a different way and able to successfully do it. Why would we care?" I've come this morning to give my answer to your question. We should care. I think commissioner Fritz, that you, the city council, all. We should very much care as to whether friends of last Thursday must comply with the same permit processes that. Required of all other community events in our city. Why? Because by allowing friends of last Thursday to organize a permit-less last Thursday, the city would be singling out for discriminatory treatment, the African American neighborhoods surrounding last Thursday. Community permits are designed to foster neighborhood notice and involvement by allowing friends of last Thursday to bypass these process, the city unfairly cut the community out from the processes meant to safeguard it and the city would never do this to any other neighborhood. But more importantly, decades of past indignities have been visited on black neighborhoods of Portland, and it would seem unthinkable to casually ignore the demands that these communities be treated equally and I request that each member of the council ponders the meaning of the word "we" when asking the question: Why would we care? Thank you.

Fritz: Karla, please read item 772.

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Item 772.

John Rink: Good morning. John Rink. I live in the Concordia neighborhood. And thank you for allowing me this opportunity to speak to you today. Here's my prepared statement: My name is John. I've lived in the Concordia area for 17 years, married, four children. I am here to share my concerns about safety and liveability conditions on Northeast Alberta. It takes place the last Thursday of the month, weather permitting may through October and does not require the vendors to have a permit or pay a registration and vendors start staking out the spot on the sidewalk as early as 11:00 in the morning and as the day progresses, the sidewalks become more and more crowded at times making it necessary to walk into the street to get around them. This is a neighborhood with many children and Alberta Street does not close until 7:00 p.m. for the event. And by 4:00 in the afternoon, the traffic is heavier making it difficult for Tri-Met and automobiles to negotiate through the crowds. Thankfully no one has been hit or injured yet. This event attracts thousands each month and as the evening progresses, it's a fact that last Thursday on Alberta becomes an alcohol-fueled event and the crowd swells into -- fueled event and the crowd becomes rowdier and the impact from N.E. 10th to 30th and three blocks north and south, the impact is severe. Thank you.

Fritz: Thank you for your testimony. Please read item 773.

Item 773.

Fritz: Good morning.

Steven Gilliam: Good morning, and thank you for letting me come here. I would like to start by saying I'm Steven Gilliam, a Northeast resident and community organizer and I would like to thank you, Commissioner Fritz, for coming to the meeting on this subject. I appreciate your coming out and facing the public and answering the tough questions raised. A lot of times when a community comes to a body like this over an issue and dispute, it's a confrontational manner and I understand it may not be the number one item on your agenda, but it's important because a lot. The times, when you're a city commissioner and your career and the good work that you do for the city is dependent on the power you can consolidate, quite frankly. You only tend to respect that power and last Thursday is an example of what happens when you only respect people with power. Because the people that don't want last Thursday are the under-served. The people with no power. Not the business owners that make a big night because their bar is busy. They're the people that can't get from their car to their house because of their wheelchair. The majority of the community does not like last Thursday. They can't come to forums because they're working. There's a statistic that was evident from the 2010 census that a median white family's net worth is \$119,000. The black family's net worth: \$5,700. Latino, \$6,300. These people can't organize in a way that communicates to you. They don't have extra time to come on a Wednesday morning. This is a work day. People can't take off work and come here and say they don't want last Thursday in their neighborhood. I think there are times when the city, especially the city of Portland, gets caught up in doing for those that don't really need to be done for. And when you can't respect the wishes of an under-served community in Northeast, that historically, historically has been under-served in the city -- I mean, the Portland city police are under investigation for discrimination. We have a problem. We can't be apathetic. If we want to confront race and equality, we need to change the way they think. We need to confront some of the standard notions we take for granted and last Thursday is a prime example of that I would ask this commission to enforce the law when it comes to last Thursday and ask the commission to stop supporting financially and with manpower friends of last Thursday. If this is going to be an organic festival, let it be organic. If it's not sustainable by 2012 without help from the city, shut it down, just like you would if there was a festival in the Pearl and the business owners and relevance developers and the real estate developers didn't want it.

Fritz: Please read item 774.

Item 774.

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Fritz: Ms. Morgan? Thank you all for your testimony. It's unfortunate that the mayor isn't here. He's in charge of the police and transportation and was also not invited to the meeting I came to. I wanted to mention tomorrow is last thursday and anybody who is concerned during the event can call 503-888-2934 which gets you a direct line to the volunteers of the friends of last thursday and if there are parking concern, that's a city issue or fire issue and anything of that nature, if it's an urgent issue call 9-1-1 and less urgent but necessary, city function please call the nonemergency number 823-3333. Thank you. Anyone on the council wish to pull any item from the consent agenda? Anyone in the audience wish to pull anything from the consent agenda? Please call the roll.

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

Fritz: Aye. Thank you. Please read item 788.

Item 788.

Fritz: This is a second reading, however i've had more discussions with staff on this and the mayor's office asked this be pulled back to his office. So I moved that we refer this item to the mayor's office.

Saltzman: Second.

Fritz: Any discussion on the motion? Please call the roll.

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

Fritz: Aye thank you. Please read item 789.

Item 789.

Fritz: Second reading, please call the roll.

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

Fritz: Aye. Please read item 790.

Item 790.

Fritz: Second reading, please call the roll.

Saltzman: I'm very pleased to support this amendment to the urban renewal area for interstate -- interstate avenue. I think it's very ingenious how we've included martin luther king boulevard from the convention center. But also to do so with a whole net effect of an additional two acres, I believe, to our existing urban renewal areas. So it's very good. One thing I want to highlight and this is an issue i'll pursue with pdc and that's a program that can help stimulate the construction of smaller neighborhood scale mid market rental buildings. Rents that target the 50% to 80% of median family income in Portland. It's a perplexing problem and most people in the housing and development realms have grappled with this but i'm hopeful that this amendment can include help for this unique niche in the rental housing market and i'll be following up with the pdc staff to assist the small mid market rentals in the 50%-80% median income. Aye.

Leonard: Aye.

Fish: Aye.

Fritz: Well, again, I appreciate the community engagement that went on in the northeast area and with the involved neighbors, including the program renewal advisory committee. There does seem to be community support for adding the areas to the urban renewal district. There's only a small amount of actual expansion in acreage because of the removal of right-of-way and there's no expansion in the debt. So we were assured in the hearing last week there's money for the original interstate ura to get its gem list built and there is capacity for expanding the improvements to areas that desperately need them. I was particularly glad to see lou frederick and harold William senior hired as part of the team during the community outreach. Trusted leaders who are able to talk to folks where they feel comfortable and elicit input and they were very supportive of the expansion. I'm also very pleased that the very intentional both in the language and the resolution and ordinances and also in where we're targeting new opportunities to make sure that the historical communities that have been in north and northeast Portland for decades are indeed those who also benefit from this urban renewal district so I'm very pleased to vote aye. Please read item 791.

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Item 791.

Fritz: Second reading, please call the roll.

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

Fritz: Aye. If i'm not mistaken, this concludes this morning's actions and we're in recess until 2:00 p.m. [gavel pounded]

At 9:47 a.m., Council recessed.

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JULY 27, 2011 2:00 PM

Fritz: Thank you all for joining us for this afternoon's session. 792, 793, and 794.

Items 792, 793, and 794.

Fritz: Thank you. Commissioner nick Fish.

Fish: Thank you, madam president. Today is a mile stone in a unique partnership between rail enthusiasts, Oregon rail heritage foundation, trimet, and the city of Portland, a partnership that has been in the works since of spring of 2009. We're getting closer to our goal of a new engine house and rail heritage center in the heart of the omsi district. Largely funded by generous private donors. Now, this story started with three historic steam locomotive that were donated to the city back in the 1950s. Parks was assigned ownership of the locomotives and volunteers ever since have stepped up to restore and maintain the engines. For some listening to this hearing, this may be surprising news that the city owns three locomotives. Others may have had a chance to ride on the annual holiday express or see the trains passing through oak bottom. What triggered the matter that is before council today was the decision by union pacific, trains currently housed in the brooklyn yards would need to finds a new home. The last time the council took up this issue was in november of 2009. Our nonprofit partner, the Oregon rail heritage foundation, came to us to seek a loan to purchase property in the omsi district for a future home. With council approval, we loaned orhf, orhf, \$980,000 from the parks sdc fund. In the year and a half since, orhf has worked diligently to raise money and develop plans for their new headquarters. Colleagues, i'm pleased to report today that the relentless board members of the foundation have raised close to \$3 million from people who care deeply about preserving these historic trains. Today we're here to update you on their good work and to seek approval on two key action items. The first is we seek council approval to restructure the current loan. Think of it as a simple refinancing that allows us to move forward while orhf completes its ambitious fundraising plan. Both mayor Adams, office of finance have reviewed this transaction carefully and support it. Next we seek your approval on lease agreements that will allow us to begin almost immediately construction at the train's new permanent home on the back side of omsi. Madam president and colleagues in the future I believe we will look back on this moment and this project with great pride, that we're able to pull together multiple public and private partners, work under many challenges under extremely tight deadlines and create a public amenity for our city, a new rail museum. We have a brief presentation set up today. I'm going to ask doyle mccormack, bill, and rob barnard to come forward and take a seat at the table. Emily hicks is going to tee up a brief film and then we will go to our first panel. Gentlemen, welcome. Emily, take it away.

Video audio: Ah, the romance of traveling light rail. Remember the southern pacific daylight that seemed to glide up and down the west coast for decades. Now look closely at the locomotive leading the way. Doing the heavy pulling remember of 1976 by centennial freedom train, the freedom train began here in Portland and ended here in Portland, and in between was with us -- 32 states. Hailed as a dramatic example of how the rails helped to build and settle america. It, too, was pulled by, we call it by name -- probably one of the most famous trains known throughout the country. More recently, have you experienced the Christmas time omniexpress at oaks park. If so, you have not forgotten that the front end of the holiday express is pulled once again by this same

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celebrity steam engine, you guessed it, the southern pacific 4449. It is true that its heavy pulling is shared with its historically significant sister locomotive, number 700. It belongs to the city of Portland also. Together these two locomotives have made the holiday express one of the city's favorite Christmas time traditions, thrilling kids and adults alike. For 53 years, Portland has been blessed with these railroad treasures in the past. Southern pacific 4449, which pulled the southern pacific daylight in the 40s, seattle number 700, pulled the famous empire building during the same period, and 197, which was built in time to deliver crowds from far away to Portland's lewis and clark world's exposition in 1905. We're talking about history here, folks. For this, we can thank the dedicated volunteers of the Oregon rail heritage foundation for preserving the -- these kings of the rail. And allowing all of us to enjoy today, what was once the golden age of railroad passenger tracks. Ahh, the romance of the rails. However, two years ago dark clouds formed. These three steam locomotives suddenly became an endangered species. Eviction loomed from Portland roundhouse. The landlord -- wanted them moved from their home. That was indeed the bad news.

The goal is to somewhere here in the city of Portland find a permanent home that is, you know, better than this building. I would like to turn around and see this engine when it can no longer run become part of a display in a -- in a steam museum that talks about the history of the area and how it develops because of the steam. But now there is good news. That is one of the reasons we are talking trains to you today. This good news actually partial good news, happened a few months ago when the city of Portland, Oregon rail heritage foundation, to purchase its own property in the heart of one of the city's fastest developing entertainment zones. While these three locomotives may have escaped to be vanished to obscurity, they are not safe. A facility has to be built to preserve them for your children and grandchildren to enjoy. Until this happens, the locomotives are still on borrowed time. Now, the question is, how to capitalize on this opportunity of continuing the illustrious history of these three classic steam locomotives, future new home in the middle of Portland's omsi district. This location is fast becoming Portland's hottest transit hub. A crossroads where max light rail, Portland streetcar and the Portland spirit more nearby come together. Here is the new max and dedicated pedestrian bridge across the willamette, which will deliver its traffic to the doorstep of omsi and the rail interpretive center. This is opportunity, folks. Here is the property as it is today. Here is what it could become. These are examples from other successful rail parks in other parts of the country. Now, let's put this in the context of economic development. Revitalizing an area on the river's edge that has been largely, until omsi chose to make this its new home, the familiar adage, build it and they will come, certainly works here. Millions of development dollars have been allocated to support this area, beginning with transportation. Consider -- the opera will expand its footprint -- trimet and Portland streetcar will anchor transit stations for easy in and out access. Portland community college will add to its current water street campus. Rehabilitated warehouses like river east center will continue to proliferate, and omsi will continue to be an attraction with its popular appeal and unlimited programs. On top of being able to view the locomotives from various observation points, and visit the rail history and interpretive center, other rail attractions. From time to time classic cars will visit the site. The southern observation car, or the luxurious new york central private harold vanderbilt car, firsthand opportunity to observe the elegance that passenger rail offered during the century of being the most popular form of short and long-distance travel. Through Oregon rail heritage foundation's persistence, city hall, and public recognition that these three locomotives are city treasures, we need to take the next step. This is phase one. Then follows the turn table, history museum and interpretive center. This will come in later stages. Today we need to embark on the first stage, putting a roof over these three steam super stars. Remember, too, that this is much more than a fun attraction. It is about economic development and cultural infill. It is about enriching our community. Now for the big question. When we call all aboard, will you help us get started?

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Fish: Very nice. That film, as you can guess from the somewhat dated reference to our action was put together and used as a fundraising tool, and it has been hugely successful in all of the outreach they've done. I want to welcome. Three panels will briefly walk us through the various components that council needs to know. And let me introduce you first, if you could kick it off, welcome.

Doyle McCormack: Thank you, commissioner Fish. Thank you to all of the commissioners. I'm doyle mccormack, president of the Oregon rail heritage foundation. I have been involved with the maintenance and operation of locomotive 4449 since it rolled out of oaks park more than 36 years ago for use on the american freedom trains bicentennial tour. This has been an adventure that many boys dream of, but few men have lived. During these years, I have developed a vision of seeing these locomotives having a permanent home where the magic of these machines can be shared with the people that own them, the citizens of Portland, as well as those who visit our city.

Thanks to the long relationship with the city of Portland, member organizations of the rail heritage foundation have been able to bring two locomotives back to life, and the third is in the process of being restored now. Now we have turned our focus to the most important part of our mission, a facility to house, display, and operate these treasures for future generations. And to develop this facility through following phases into an interpretive center to teach all the importance that these machines played in our history. This vision will become a reality, if we can get a shovel in the ground by the 1st of october this year. Oregon rail heritage foundation was formed by like-minded groups and individuals joining forces to fulfill this vision. With the city's help providing a loan that has a five-year term at a reasonable interest, we can get the job done and pay the loan off within this time frame. Thank you.

Fish: Thank you very much. Bill failing.

Bill Failing: Thank you. Madam chair, commissioners. Doyle has a dream along with his cohorts here. And it's really kind of not easy, but it certainly makes it easier when you've got this vision in front of you, you have got this incredible commitment you have from so many people. The figure that commissioner Fish mentioned earlier, \$5.435 million was actually the total budget of this project. We are now down to our final \$305,000 of that total. The good news keeps rolling in. As of yesterday, I had a phone call from salem, Oregon cultural trust delivered \$30,000 to us. And that's a pretty good load for the armored car, you know, but anyway, we're down, as I said, to our last \$305,000. When you are starting at \$5.4 million, that's pretty good. We have to get a shovel in the ground by the middle of september. We've got some really heavy hauling still to do here. Okay. You have seen the video, that video we play quite a bit. We also have it on our web site if you want to go back and revisit it. It's there for you. The money that we brought in, the funding that we brought in, you may wonder how and why do people do this? This is much more than about trains, quite frankly. This is about development in the southeast waterfront. It is about civic pride. It's about the potential, along with omsi, as a destination attraction. It's synergy with omsi. Omsi has today alone by itself for so long. Here is an outstanding companion piece. The two will just mesh. You will hear more about that. Revitalizing the southeast Portland waterfront is what a lot of people see. People who respond are city developers. Foundations have been incredible. Businesses, both large and small, individuals, and we've had the most incredible cooperation from both the city and trimet. So, all of these ingredients are in the recipe here, and it is working and as they say, we've got probably the hardest part ahead of us, in the next 60 days, raise that \$305,000. So, anyway, as we sort of stand back and reflect on all of this, it's, once again, Portland strutting its stuff, innovating -- with innovative transportation and land use solutions, and this is just one more example of that. Thank you.

Fish: Thank you very much. Rob Bernhard from trimet, welcome.

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Rob Bernhard: Thank you. As contemplated in 2009, the Portland, milwaukie project is now under construction. East bank esplanade or others, you can see quite a few pieces of equipment in the river and we are quite excited about that. This particular project that we're here to talk about today allows a station at gray at omsi. Instead of an elevated station or one subsurface station, this allows a station at gray which is very important to support the land use. But to do that requires rearrangement of the pieces on the chess board, if you would. As you can see on the map here, on the screen, the Oregon pacific railroad, opr is moving over to site one, which is the blue, and then the Oregon rail heritage is moving over to the green, site two. And that allows us to go through that area at grade and provide a limited connection. As we have mentioned before, this couldn't have happened without a great deal of cooperation from many. Trimet wanted to thank pbot and odot in particular for all of their assistance to assemble all of these things and move the board pieces around on the chess board. We have assembled a new site, more advantageous site for orhf, and space for a new yard and space for an engine house. It really is kind of -- speaks to the collaborative spirit that we have in Portland. How can we get a group of people together, look for creative solutions that provide a win-win for all parties. And this is just another example of that. This exchange of site among all of the parties and putting all of the resources together allows a region to have a station at grade, at a place where you have omsi, you have a museum, you have opera, support active land use. Opr continues to service its existing customers and a new rail heritage museum for the community, and all of that is from all of the cooperation from all of these folks to work together. Very excited to be a part of that.

Fish: Gentlemen thank you all for your great work. Commissioner Fritz, the next panel, they will briefly walk us through the matters before us today. Todd, are you kicking it off?

Todd Lofgren, Portland Parks and Recreation: Yes. I'm todd lofgren, property and acquisition manager for Portland parks and recreation. The ordinance before you today that i'm going to talk to you about is the ordinance for the loan proposal. The loan proposal basically is a restructuring of the existing loan that we have outstanding to the Oregon rail heritage foundation to extend it for a five-year period. The current loan will end this february, 2012. And by extending that five-year period of the loan, orhf will be able to raise sufficient funds to complete a new engine house for the city-owned locomotives, and the loan amount for the new loan will be up to \$1 million. And hopefully we can show you a picture of the new engine house on the screen in front of you that will be constructed, as we said, starting this fall. And I also wanted to emphasize that in 2009, that the city council approved a management agreement between Portland parks and recreation and the foundation to manage the locomotives on the city's behalf, and that management agreement will remain in effect throughout the loan period and beyond. And I guess finally I just would like to thank all of our partners at pbot, great collaboration across the bureaus. We really couldn't have done it without them. Again, our partners at orhf have done an amazing job with fundraising and just looking at this proposal from a deal standpoint on behalf of the city, it's really an amazing leverage that we're getting here from private donors, foundations, volunteers, something really the city couldn't do on its own. We really appreciate to orhf and donors in support of orhf. Happy to answer any other questions that you may have.

Fish: Thank you, todd. Art is here to talk about the lease agreements. Art, thank you for all of your good work.

Art Pearce, Bureau of Transportation: Absolutely. Thank you for the opportunity to speak to you today on behalf of pbot. Exciting opportunity to be involved to making this thing work -- so, the cooperation between pbot, o-dot and trimet, assembling 2.5 acres of right of way to make available as a long-term home for Oregon rail heritage foundation's engine house and future facilities. What's before you today are two ordinances. One for the lease area for the facility. And then the second for a lease area for parking to help support the facility that is beneath the mlk viaduct. The two items, one is the area listed on the graphic of site two and the other just to the

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south of site two beneath what is in orange. One other item, memorandum of understanding between pbot and bds in terms of the review short and permitting of this facility. It is in right of way and has building characteristics that needs to be reviewed as a building site.

Fish: I should probably mention, commissioner Saltzman and commissioner Leonard, project on this time line requires very close cooperation and a lot of help from the bureau of development services. We have been very fortunate to have matt from commissioner Saltzman's office at the table helping us as problems arose. And the team has given us world class concierge service as we -- we want to acknowledge them and thank them for their work.

Pearce: Absolutely. This was a very complicated proposal that did not have a lot of time for us to get stuck on those elements. That's it for my presentation. We're happy to answer any questions that you guys have.

Saltzman: The line of credit, is that being backed by parks?

Lofgren: The original loan amount -- right, the original loan was done from system development charge funds from the parks fund, and it will be backed by the fund, but will be privately financed from a bank. So we worked with the debt manager to go out and borrow the funds --

Saltzman: Charges that are ultimately providing this loan --

Lofgren: There will be -- there will -- they will be guaranteeing the loans. The funds are actually coming from a private lender.

Saltzman: Okay. And is the general fund --

Lofgren: General fund --

Saltzman: In this at all?

Lofgren: No. Maybe our debt manager, our parks finance manager --

Saltzman: Your answer is sufficient.

Fish: General fund, commissioner Saltzman, is as at risk it is today when we had it securely -- it doesn't prevent a resourceful lawyer to try to get at other full-faith and credit sources, but we have been able to shop this proposal to banks as line of credit security against the -- it does not immediately put the general fund of the city at risk. Thank you both for your excellent presentation. Commissioner Fritz, one more invited panel. I would like to ask carlson from omsi, sue pierce from abernethy neighborhood association, and laurel lyon from the ORF board to come forward. Paul, why don't you kick things off.

Paul Carlson: Thank you. My name is paul carlson, senior vice president with the Oregon museum of science and industry. I'm very pleased to be here to speak on behalf of the Oregon rail heritage foundation and their planned facility on the lower central east side in our neighborhood. We're delighted to have orhf as a new neighbor. The location of the rail museum facility and the area with the Portland spirit, pcc, opera, and omsi will add greatly to the vitality of the district. Moreover, having the new orhf facility, with steam technology approximate to the union pacific lines, and juxtaposed with the new transportation elements of streetcar and light rail, makes eminent sense and adds an elements of technology of education and history simply by its presence. Given the amount of construction activity on our property, and in the neighborhood, omsi has hosted construction coordination meetings for all of the parties involved, and also neighborhood business meetings for the neighbors in order to keep all parties abreast of changes. Orhf has been an active participant in these meetings, highlighting their commitment to the area. We believe the relocation of orhf will be to their benefit, to the benefit of the community, and will be synergistic to the attendance growth to the organizations in the area and a positive element in the future development of the lower central east side. We would like to extend to orhf our sincere welcome to the neighborhood. Thank you.

Fish: Thank you very much. Sue.

Sue Pearce: Good afternoon chair Fritz and commissioners. I'm susan pearce. I'm a member of the hosford Abernathy neighborhood association and representative from that body to the orhf

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board. However, hand, as we're more commonly known, has not had an opportunity to discuss the details of this ordinance. So I can't represent them directly. Speaking as an individual today. However, again, yet again, the hand board has been quite excited about having orhf move into our neighborhood, in the central east side district portion of our neighborhood so I think they support this. The historic steam engines are -- and I -- this was -- not from the film, are a treasure for the city of Portland as the film told us. They certainly deserve to be stored in a place that's safe and in a place where continued maintenance can take place, and where the public can visit to view the engines. This is a plan that should lead to that happening. I don't have much -- I have a little bit of experience from other hats that I wear about finance arrangements, but it is a little -- this one is a little above my head. I'm not going to comment on that. I think the plan for leased space for parking addresses an ever-present dilemma in the central east side industrial district. Conversations regarding how that is used to the best benefit for both orhf and industrial district are happening and they should continue. I believe you have before you a proposal that can be a win-win for orhf, for the central east side, paul carlson described it for the neighborhood association for the city of Portland and our guests and residents. I urge your support for this project.

Fish: Thank you very much. Welcome.

Laurel Lion: Thank you, sue. I'm laurel lion, founding president of orhf and glad to be back after 2.5 years. The Oregon rail heritage foundation puts history alive with the three steam locomotives. Orhf adds the pivotal link between our past, present, and future. As was said in the video, it has been over a half century since the locomotives donated to the city finally have a place to call home that has public access. Soon everybody will be able to discover, experience, and marvel at the high-tech that was 60 to 90 years ago, and what is going on now with modern rail. Operating steam locomotives show case the past economic, cultural, and industrial heritage. Why do light rail and streetcars thrive in Portland? You don't have to answer. It's in our blood. Early in the last century, transportation -- early in the last century, an estimated 10% of the Portland work force worked for the railroad. By the 1920s, streetcars transported people from their home to work. Neighborhood centers of vitality and commercial blossomed at the stops that they had. Railroads played a crucial role during world war ii, to move troops and to bring liberty supplies and thus catapulted Portland to be a major economic force in the west coast. It can be said that railroads became the economic engine that made Portland what it is today. Since 1974, volunteers have dedicated tens of thousands of hours to restore and maintain the locomotive. Their passion and commitment has brought thousands more to help support the building of a permanent home that is accessible to all. The hours invested by the volunteers have been estimated at a value of \$2.5 million. And that's a low estimate. As a result, Portland is the only city in the u.s. That owns three steam locomotives, two of which are among the very few large steam locomotives that are still remaining in operation. And it is with extra pleasure that I announce that in terms of this accessibility, the holiday express train -- for the holiday express train, people using wheelchairs will ride on the train with their wheelchairs. If they choose not to, there will be a new experiential video that is in the tent. I think that is something that I can be proud to announce to all of you. Many have said that the steam locomotive is closer to a living thing than any other machine man has created. If you're like me and you've gazed up to the top of the 80-inch drive wheels, and heard the steam whistle blow or watched the locomotive effortlessly pull out of the station and go down the track, your soul has been moved. Oregon rail heritage foundation is ready to share our passion with everyone. Thank you.

Fish: Laurel, thank you very much Madam president that concludes the presentation, unless there are questions that the council has.

Saltzman: Trivia question, laurel, you can probably answer this. How is it that the bicentennial train, locomotive was here in Portland and that actually the bicentennial started here in Portland?

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Lion: I will defer that to the chief mechanical officer who was there to do it, Doyle McCormack.

Saltzman: Maybe he can tell me afterwards.

Doyle McCormack: I can.

Lion: It is a good story.

Saltzman: Yeah, I bet.

Fritz: Thank you very much.

Fish: That concludes our presentation.

Fritz: Thank you, commissioner Fish. Does anybody wish to testify on this matter? Please call the roll on 792.

Saltzman: I want to thank commissioner Fish and the Oregon Rail Heritage Foundation, and all of the other players, Tri-Met, OMSI, PCC all the other players that are combining to make this a vibrant part of our city. I think as we saw in Laurel's passion a few minutes ago, there is something about trains that inspires romance, nostalgia, and a sense of awe. I have seen the locomotives from the ground and up in the cab, and they are amazing pieces of machinery. It really is a blessing to us that we still have three of them here in Portland that can -- two of them, at least, that can still be used, and I'm sure the third one will some day. It is a real asset, not only to the city, but to inner southeast Portland and I'm pleased to support this loan agreement. Aye.

Leonard: I appreciate the work of commissioner Fish of making all of this happen and the passion that all of you bring to finally making these locomotives accessible to the public, a great part of the city that I think will be greatly utilized by kids at OMSI and can go over and see these wonderful pieces of equipment. Thank you, commissioner Fish.

Fish: Thank you Colleagues, I remember quite vividly the time that Mike Lindberg and Bill Failing came to visit me a couple of years ago. Mike had spent previous time with me lecturing me on my need to focus on my core priorities to be effective and then he came to see me, oh, by the way, we have this -- a new home for these locomotives, would you agree to be our sponsor and council champion, and, of course, as everyone up here knows, when former commissioner Mike Lindberg knocks on your door and his enthusiasm starts going it is hard to say no. That extends to Bill and everyone who is here that has worked so tirelessly on this project. As the parks commissioner, it is my great honor to work with the Friends Group that helped maintain our system. I'm not sure the public fully appreciates that without our friends groups, nonprofits that help us do the day-to-day work we could not manage the system. We already have an honor roll of partners from the folks who run the Petit Mansion, the Chinese Garden, Japanese Garden, nonprofit board that runs Pioneer Courthouse Square, Friends of Community Gardens and everyone in between, and our friends groups have different levels of capacity and different history and experience, but what they have in common is they love the city and they want to bring -- make their -- their part of what they're passionate about more accessible to the public. It has been absolutely a pure delight to get to know the people in this room and to work with you over the last couple of years. We are fortunate to have these champions for these three rail cars. Everyone here will have a story about trains. What I remember as a kid, my mother's family lived north of Quebec City along St. Lawrence, and there was a train right-of-way. My brother and I used to put quarters on the rail to get them flattened. Everyone has a story and experience about trains. As Bill Failing told me, almost an irrational attachment that people have, who in the foundation this that emotional irrational attachment. I have a number of people I need to thank. This presentation in no way does justice to really the complexity of what was undertaken. I have been involved in things which are mind-numbingly difficult. This has to rank near the top. I say this as someone who didn't have to do much of the heavy lifting. The talented people here did all of the work. I had the privilege of convening the meetings. I never saw so many seemingly insurmountable problems overcome. Forgive me if I miss anybody as I go through this honor roll. Mike

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lindberg, I want to thank him for his service. Sue keele has been part of the team and most recently -- for a period of time as a private citizen and brought a lot to the table. Paul carlson, seem at omsi thank you. Neil mcfarland that perfectly weighed in. Tuck wilson. Rob barnard and the trimet team. Thank you very much. Ken rust, folks at omf that ran the numbers and kept running the numbers. Mack rum, katherine charlow -- art pierce, david -- mary pat gardner from the bureau of development services and the whole team at dds. Bill failing, laurel mccormack -- sue pierce from hand -- everybody who has had any part of this I thank you from the bottom of my heart. One other person i've got to acknowledge, because she has just -- she -- I take for granted how great her work is, but I think everyone here got to see emily hicks up close, and a special thanks to emily hicks who coordinated this effort from my office and does such great work. It is with great honor that I support the matters before council today and proudly cast my vote as aye.

Fritz: Thank you to all of the volunteers and staff and to commissioner Fish. I was glad to hear that the holiday express is now accessible and I will pass that on to the human rights commission -- the commission on disability will be very glad to hear that too. Thank you for following up on the details. It means a lot to all of us. I appreciated your comments on the -- the shipyard, industrial east side that we treasure so much as an industrial sanctuary, bring attention to the current shipyard, barge building, and the rail -- the facilities in the north region, Portland harbor. This is an important part of our history, and the shiny engine beautifully restored will help Portlanders understand the history of our city. It also connects us to the rest of the world where rail yards have been so important, where both native americans and immigrants helped to build the rail yards here, railway system here. I was touched by the references to how many people are -- have deep emotional investment in rail as a form of transportation. I was trying to remember which of the thomas the tank engines was red as I was watching the video. I think it is no coincidence that that children's series became so popular with everybody worldwide. And finally, thank you for the video. It has been awhile since I have seen the council portrayed as coming to the rescue in a shiny engine across the landscape and sunshine. It was good to know that indeed our actions here have helped to support this effort and will continue to do so. I, too, am glad to vote aye. Call the vote on 793.

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

Item 794.

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

Fritz: Aye. Thank you all for being here today. We're adjourned.

At 2:44 p.m., Council adjourned.