



CITY OF
PORTLAND, OREGON

OFFICIAL
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **28TH DAY OF NOVEMBER, 2012** AT 9:30 A.M.

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

Commissioner Leonard arrived at 9:41 a.m.

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

Item No. 1318 was pulled for discussion and on a Y-5 roll call, the balance of the Consent Agenda was adopted.

COMMUNICATIONS	Disposition:
1309 Request of Scott Ford to address Council regarding Taxi Limousine Commission complaint, Portland Airport and taxi cab fare rates (Communication)	PLACED ON FILE
1310 Request of Mary King to address Council regarding the economics of Paid Sick Leave (Communication)	PLACED ON FILE
1311 Request of Craig Rogers to address Council regarding East Portland Community Center (Communication)	PLACED ON FILE
1312 Request of Garrie Ghiglieri to address Council regarding economic development plan (Communication)	PLACED ON FILE
1313 Request of Anna Stiefvater to address Council regarding Earned Sick Days (Communication)	PLACED ON FILE
CONSENT AGENDA – NO DISCUSSION	
Mayor Sam Adams	

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<p>1314 Appoint Tad Savinar to the Design Commission for a partial term to expire September 30, 2014 (Report) (Y-5)</p>	<p>CONFIRMED</p>
<p>1315 Reappoint Stacy Heyworth to the Civil Service Board for a term to expire November 17, 2014 (Report) (Y-5)</p>	<p>CONFIRMED</p>
<p>Bureau of Transportation</p>	
<p>*1316 Amend Ordinance authorizing permits for certain kiosks on the Portland Transit Mall to delete alteration deadline requirement (Ordinance; amend Ordinance No. 183697) (Y-5)</p>	<p>185738</p>
<p>*1317 Accept a grant in the amount of \$465,535 from the Portland Development Commission for the West Burnside and Pearl District Intersection Safety and Access Project (Ordinance) (Y-5)</p>	<p>185739</p>
<p>*1318 Authorize multiple applications to the Oregon Department of Transportation for grants in the amount of up to \$39.125 million for transportation enhancement projects (Ordinance) (Y-5)</p>	<p>185757</p>
<p>1319 Terminate Cooperative Improvement Agreement with the Oregon Department of Transportation and Metro for the Peninsula Crossing Trail – North Portland Road Section (Second Reading Agenda 1276; amend Contract No. 51267) (Y-5)</p>	<p>185740</p>
<p>1320 Authorize contract and provide for payment for construction of the SW Spring Garden St Sidewalk Infill Project (Second Reading Agenda 1277) (Y-5)</p>	<p>185741</p>
<p>1321 Authorize contract and provide for payment for construction of the SW Sunset Blvd Sidewalk Infill Project (Second Reading Agenda 1278) (Y-5)</p>	<p>185742</p>
<p>Office of Management and Finance</p>	
<p>1322 Extend term of Southern Pacific Pipe Lines franchise to transport petroleum products by pipeline (Ordinance; amend Ordinance No. 155742)</p>	<p>PASSED TO SECOND READING DECEMBER 5, 2012 AT 9:30 AM</p>
<p>1323 Extend term of Olympic Pipe Line Company franchise to transport petroleum products by pipeline (Ordinance; amend Ordinance No. 162012)</p>	<p>PASSED TO SECOND READING DECEMBER 5, 2012 AT 9:30 AM</p>
<p>1324 Extend term of AT&T long-distance franchise to build and operate telecommunications facilities in City streets (Ordinance; amend Ordinance No. 162822)</p>	<p>PASSED TO SECOND READING DECEMBER 5, 2012 AT 9:30 AM</p>

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<p>1325 Extend term of Kinder Morgan Cochin LLC franchise to transport petroleum products by pipeline (Ordinance; amend Ordinance No. 164747)</p>	<p>PASSED TO SECOND READING DECEMBER 5, 2012 AT 9:30 AM</p>
<p>1326 Extend term of Chevron USA pipeline franchise to transport petroleum products by pipeline (Ordinance; amend Ordinance No. 164748)</p>	<p>PASSED TO SECOND READING DECEMBER 5, 2012 AT 9:30 AM</p>
<p>1327 Extend term of franchise granted to MCI Communications Services, Inc. to build and operate telecommunications facilities within City streets (Ordinance; amend Ordinance No. 170954)</p>	<p>PASSED TO SECOND READING DECEMBER 5, 2012 AT 9:30 AM</p>
<p>1328 Extend term of franchise granted to Qwest Communications Company, LLC to build and operate telecommunications facilities within City streets (Ordinance; amend Ordinance No. 171914)</p>	<p>PASSED TO SECOND READING DECEMBER 5, 2012 AT 9:30 AM</p>
<p>1329 Extend term of franchise granted to Sprint Communications Company, LP to build and operate telecommunications facilities within City streets (Ordinance; amend Ordinance No. 172141)</p>	<p>PASSED TO SECOND READING DECEMBER 5, 2012 AT 9:30 AM</p>
<p>1330 Extend term of franchise granted to WCI Cable to build and operate telecommunications facilities within City streets (Ordinance; amend Ordinance No. 172750)</p>	<p>PASSED TO SECOND READING DECEMBER 5, 2012 AT 9:30 AM</p>
<p>1331 Extend term of franchise granted to TCG Oregon to build and operate telecommunications facilities within City streets (Ordinance; amend Ordinance No. 173990)</p>	<p>PASSED TO SECOND READING DECEMBER 5, 2012 AT 9:30 AM</p>
<p>1332 Extend the term of a temporary revocable permit granted to Qwest Corporation to build and operate telecommunications facilities in City streets (Ordinance; amend Ordinance No. 175757)</p>	<p>PASSED TO SECOND READING DECEMBER 5, 2012 AT 9:30 AM</p>
<p>1333 Extend term of OnFiber Communications, Inc. franchise to use designated City streets to provide telecommunications services (Ordinance; amend Ordinance No. 175793)</p>	<p>PASSED TO SECOND READING DECEMBER 5, 2012 AT 9:30 AM</p>
<p>1334 Extend term of a franchise granted to NewPath Networks, LLC to build and operate wireless facilities within City streets (Ordinance; amend Ordinance No. 180376)</p>	<p>PASSED TO SECOND READING DECEMBER 5, 2012 AT 9:30 AM</p>
<p>1335 Authorize an Intergovernmental Agreement with Multnomah County for the maintenance and repair services of Multnomah County vehicles (Second Reading Agenda 1285) (Y-5)</p>	<p>185743</p>

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<p>1336 Extend term of a franchise granted to MCI Metro Access Transmission Services, Inc. to build and operate telecommunication facilities within City streets (Second Reading Agenda 1286; amend Ordinance No. 169230) (Y-5)</p>	<p>185744</p>
<p>1337 Extend term of a franchise granted to Electric Lightwave, Inc. to build and operate telecommunication facilities within City streets (Second Reading Agenda 1287; amend Ordinance No. 170283) (Y-5)</p>	<p>185745</p>
<p>1338 Extend term of a franchise granted to tw telecom of oregon llc to build and operate telecommunication facilities within City streets (Second Reading Agenda 1288; amend Ordinance No. 171566) (Y-5)</p>	<p>185746</p>
<p>1339 Extend term of a franchise granted to 360networks (USA), inc. to build and operate telecommunication facilities within City streets (Second Reading Agenda 1289; amend Ordinance No. 172864) (Y-5)</p>	<p>185747</p>
<p>1340 Extend term of a franchise granted to McLeodUSA Telecommunications Services, Inc. to build and operate telecommunication facilities within City streets (Second Reading Agenda 1290; amend Ordinance No. 175061) (Y-5)</p>	<p>185748</p>
<p>1341 Extend term of a franchise granted to XO Communications Services, Inc. to build and operate telecommunication facilities within City streets (Second Reading 1291; amend Ordinance No. 175062) (Y-5)</p>	<p>185749</p>
<p>1342 Extend term of a franchise granted to Metromedia Fiber Network Services, Inc. to build and operate telecommunication facilities within City streets (Second Reading Agenda 1292; amend Ordinance No. 175162) (Y-5)</p>	<p>185750</p>
<p style="text-align: center;">Commissioner Randy Leonard Position No. 4 Water Bureau</p>	
<p>1343 Authorize a contract with Tetra Tech, Inc. for Laboratory Services for Cryptosporidium and Giardia Water Analysis (Second Reading Agenda 1296) (Y-5)</p>	<p>185751</p>
<p style="text-align: center;">Commissioner Nick Fish Position No. 2 Portland Housing Bureau</p>	

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<p>1344 Authorize contract with Dignity Village to manage transitional housing campground at Sunderland Yard (Second Reading Agenda 1298; Contract No. 32000680)</p> <p>(Y-5)</p>	<p>185752</p>	
<p style="text-align: center;">Commissioner Dan Saltzman Position No. 3</p>		
<p style="text-align: center;">Bureau of Environmental Services</p>		
<p>1345 Authorize a request to seek a new contract for Sludge Processing Polymer at the Columbia Blvd Wastewater Treatment Plant (Second Reading Agenda 1299)</p> <p>(Y-5)</p>	<p>185753</p>	
<p>1346 Amend contract with Brown and Caldwell, Inc. for additional work and compensation for the SW 86th Avenue Pump Station and Appurtenances Project No. E09051 (Second Reading Agenda 1300; amend Contract No. 30002215)</p> <p>(Y-5)</p>	<p>185754</p>	
<p>1347 Authorize a contract with GHD, Inc. for professional services for the Schmeer Wastewater Pump Station Upgrade Project No. E07448 (Second Reading Agenda 1301)</p> <p>(Y-5)</p>	<p>185755</p>	
<p style="text-align: center;">REGULAR AGENDA</p> <p>1348 Amend the Business License Law to increase the Owners Compensation Deduction maximum for the 2013 tax year (Ordinance introduced by Mayor Adams and Commissioners Fish and Saltzman; amend Code Section 7.02.600) 10 minutes requested</p>		<p style="text-align: center;">PASSED TO SECOND READING DECEMBER 5, 2012 AT 9:30 AM</p>
<p style="text-align: center;">Mayor Sam Adams Bureau of Planning & Sustainability</p> <p>1349 Achieve 100 percent renewable electricity for City operations by directing the Bureau of Internal Business Services and the Bureau of Planning and Sustainability to facilitate a purchase of Renewable Energy Certificates each year on behalf of all City bureaus (Resolution) 10 minutes requested</p>		<p style="text-align: center;">CONTINUED TO DECEMBER 5, 2012 AT 9:30 AM</p>
<p style="text-align: center;">Office of Management and Finance</p>		
<p>1350 Authorize revenue bonds for the lighting efficiency program (Ordinance) 15 minutes requested</p>	<p style="text-align: center;">PASSED TO SECOND READING DECEMBER 5, 2012 AT 9:30 AM</p>	

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<p>1351 Invest savings from LED streetlight conversion in system replacement and renewable energy (Ordinance)</p>	<p>PASSED TO SECOND READING DECEMBER 5, 2012 AT 9:30 AM</p>
<p>1352 Adjust the Utility License Law to revise tax rate and tax base for telecommunications utilities operating within the City (Second Reading Agenda 1308; amend Code Chapter 7.14) (Y-5)</p>	<p>185756</p>
<p style="text-align: center;">Commissioner Nick Fish Position No. 2</p>	
<p style="text-align: center;">Portland Parks & Recreation</p>	
<p>1353 Authorize 2012 Washington Park Transportation and Parking Management Agreement at Washington Park (Second Reading Agenda 1304)</p> <p>Motion #1 - accept amendments submitted by Commissioner Fish in response to November 14, 2012 meeting: Moved by Commissioner Fish and seconded by Commissioner Leonard. (Y-5)</p> <p>Motion #2 - amend 7.2 of the agreement regarding TMA board to add “All nominations are subject to the approval of the PP&R Commissioner which approval shall not be unreasonable withheld”: Moved by Commissioner Fish and seconded by Mayor Adams. (Y-4; N-1 Saltzman)</p> <p>Motion #3 - reconsider Motion #2: Moved by Commissioner Fish and seconded by Commissioner Fritz. (Y-5)</p> <p>Motion #4 - revoke Motion #2: Moved by Commissioner Leonard and seconded by Commissioner Fritz. (N-5)</p> <p>Motion #5 - amend 7.2, lines 5 and 6 to strike “and approved by the PP&R Commissioner”: Moved by Commissioner Fish and seconded by Commissioner Saltzman. (Y-5)</p> <p>Motion #6 - amend page 17, #8 line 4 to insert “transportation safety projects”: Moved by Mayor Adams and seconded by Commissioner Fish. (Y-5)</p>	<p style="text-align: center;">PASSED TO SECOND READING AS AMENDED DECEMBER 5, 2012 AT 9:30 AM</p>

At 12:16 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 28TH DAY OF NOVEMBER, 2012 AT 2:00 P.M.

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

Commissioner Saltzman arrived at 2:48 p.m.

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

<p>1354 TIME CERTAIN: 2:00 PM – Delegate authority to write down portions of loans in the Portland Housing Bureau portfolio in order to maintain a sustainable inventory of affordable housing assets and ensure continued public benefit to our community (Ordinance introduced by Commissioner Fish) 30 minutes requested</p>	<p>Disposition:</p> <p>PASSED TO SECOND READING DECEMBER 5, 2012 AT 9:30 AM</p>
<p>1355 TIME CERTAIN: 2:30 PM – Accept Report on Title 13, Nature in Neighborhoods – Request for Metro Determination of Substantial Compliance (Report introduced by Mayor Adams) 45 minutes requested for items 1355-1356</p> <p>Motion to accept report: Moved by Commissioner Fritz and seconded by Commissioner Fish.</p> <p>(Y-5)</p>	<p>ACCEPTED</p>
<p>*1356 Direct the Bureau of Planning and Sustainability Director to submit Request for Metro Determination of Substantial Compliance with Title 13, Nature in Neighborhoods, and establish a voluntary Intergovernmental Agreement with Metro as a statement of intent to continue watershed health related efforts and collaboration (Ordinance introduced by Mayor Adams)</p> <p>(Y-5)</p>	<p>185758</p>

At 3:24 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 29TH DAY OF NOVEMBER, 2012 AT 2:00 P.M.

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

Commissioner Saltzman arrived at 2:05 p.m.

Commissioner Fish arrived at 2:06 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Ian Leitheiser, Deputy City Attorney; and Harry Jackson, Sergeant at Arms.

At 3:06 p.m., Council recessed and reconvened at 3:32 p.m.

	Disposition
<p>*1357 TIME CERTAIN: 2:00 PM – Accept the Residential “Up out of the Mud” Street by Street Program Report and direct the Bureau of Transportation and the Bureau of Environmental Services to implement a street improvement program that provides affordable, safe and context based streets for all modes (Ordinance introduced by Mayor Adams) 1.5 hours requested for items 1357-1358</p> <p>Motion to amend to add emergency clause: Moved by Mayor Adams and seconded by Commissioner Fritz. (Y-5)</p> <p>(Y-4; Saltzman absent)</p>	<p>185759 AS AMENDED</p>
<p>*1358 Authorize a local improvement district deferral option for certain local improvement districts (Ordinance introduced by Mayor Adams)</p> <p>Motion to amend to add emergency clause: Moved by Mayor Adams and seconded by Commissioner Fritz. (Y-5)</p> <p>(Y-4; Saltzman absent)</p>	<p>185760 AS AMENDED</p>
<p>1359 TIME CERTAIN: 3:30 PM – Approve agreements among the City and one or more of, the Portland Development Commission, Rip City Management LLC dba Portland Arena Management, and Portland Winterhawks, Inc. for the renovation and operation of the Veterans Memorial Coliseum for use by the Portland Winterhawks hockey team and for other events, uses and activities (Ordinance introduced by Mayor Adams) 1.5 hours requested for items 1359-1360</p>	<p>CONTINUED TO DECEMBER 5, 2012 AT 10:45 AM TIME CERTAIN</p>
<p>1360 Approve an Option Agreement among the Office of Management and Finance, the Portland Development Commission, and Rip City Management LLC dba Portland Arena Management to transfer certain land and property development rights in the Rose Quarter District, and authorize the establishment of a Rose Quarter Event Parking District as specified (Ordinance introduced by Mayor Adams)</p>	<p>CONTINUED TO DECEMBER 5, 2012 AT 10:45 AM TIME CERTAIN</p>

At 5:15 p.m. Council adjourned.

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LAVONNE GRIFFIN-VALADE
Auditor of the City of Portland

A handwritten signature in blue ink, appearing to read 'Karla', with a stylized flourish at the end.

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.

NOVEMBER 28, 2012 9:30 AM

Adams: Today is wednesday, november 28, 2012. It's 9:30 a.m. I'm going to gavel council in for our morning session. First I would like to recognize commissioner nick Fish.

Fish: Thank you, mayor. I have a proclamation to read. Whereas after representing the united states in the 2012 olympics in london, united states women's national team received a hero's welcome for its gold medal winning performance on a global stage. Whereas the u.s. Women are currently ranked number one in the world, whereas Portland is honored to welcome back the u.s. Women's national team to the rose city, and whereas last night the team held an open practice at jeld-wen. The city of Portland was represented by the park rose high school women's soccer team that greeted the national team. Whereas this evening the team will play an exhibition match against ireland's women's national team, appeared whereas Portland's passion for soccer at all levels, has earned us a national reputation as soccer city usa, and whereas Portland is proud of its local connection to the u.s. Women's team which includes former university of Portland pilot megan rupino, who is on the short list for player of the year, and whereas members of the united states women's teams are a an inspiration to young athletes across america including the more than 10,000 youth soccer players in Portland serves as role models on and off the pitch, therefore i, sam Adams, the city of Portland, the city of roses, soccer city, usa, do hereby proclaim wednesday, november 28, 2012, to be a day of recognition for the u.s. Women's national team in importantly. Recognizing the many ways these world class athletes contribute to our community, congratulating the team on its remarkable success, encouraging Portlanders to make healthy outdoor activity part of their regular routine. Martha and I were at the practice last night. Congratulations to the park rose women's soccer team that actually greeted on behalf of the city the team. Thanks to nike, the timbers, u.s. National team, and the Oregon sports authority, and there's a picture in today's sports section showing a young woman from park rose reacting to receiving an autograph from megan rupino. What was beautiful about that, megan played at the university of Portland with an all -- was an all american, is now considered the best player in the world and she recently bought an apartment in downtown Portland. She now calls Portland home and is on the short list to be on the professional team that Portland will organize in the new women's professional soccer league. It brought together a lot of nice things. We welcome back the gold medal national team to Portland. Thank you.

Adams: Very exciting. Thank you. Karla, good morning. How are you?

Moore-Love: Good morning. I'm good.

Adams: Can you please call the roll? [roll call taken]

Adams: Good morning, everybody. The rules of the house are you have to sign in if you want to testify. When your name is call for an item you come up and sit in one of these chairs. There's a clock in front of that piece of wood that will count down three minutes. You need to give us your first and last names, not your address, not your email, phone number, none of that. You need to, unless it's one of the five folks for communications, your testimony needs to adhere to the issue that is being discussed for a particular council item. If you are a lobbyist authorized to lobby on behalf of an organization you need to declare that, otherwise we're assuming you're just representing your own point of view. Number 1309.

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Item 1309.

Adams: Mr. Ford. Welcome.

Scott Ford: Good morning. Thank you for this opportunity commissioners and mayor. Beginning march 1st, 2012, I first initiated a fare that was pretty astronomical riding from Portland international airport to my residence downtown. It was \$63. Continuing trips on september 14, october 4 and november 7th the fares were also \$47, \$5 and \$62. It was my understanding when I addressed this to the Portland taxi and limousine commission the fare charges should have been 25 to 35 within a zone. Can someone outline to me why I would be paying more at 2:00 a.m., 3:00 hours when there should be some sort of implementation that it should be a flat rate within the downtown zone? It was my understanding it was 25 to 35. Obviously we have a beautiful city here, an if we have tourists taking taxi cab rides we're sort of being ripped off at this point as far as paying those fares that are pretty high.

Adams: We'll have to get back to you. Who did you -- do you remember who you talked to?

Ford: I left packets with their office and with you guys.

Adams: All right. We'll follow up. Thank you for bringing this to our attention. We'll get back to you with an answer.

Item 1310.

Moore-Love: Request of mary king to address council regarding the economics of paid sick leave. She is rescheduled to the 5th.

Adams: Okay. Please read the title communications item number 1311.

Item 1311.

Moore-Love: Request of craig rogers to address council regarding east Portland community center. He let us know he's not able to make it.

Adams: Okay. Can you please read the title for communications item 1312.

Item 1312.

Adams: Welcome.

Garrie Ghiglieri: I have very good news for the city. It's always nice to give a gift and not charge a dime. But i'm bringing up some old business but new information. The uss ranger, we have a new placement for the ship down on the willamette river on the east side. She is what you would say economic impact for the city. All these carriers around the country bring a tremendous amount of revenue to their cities and they are also regional. We would like to do this for Portland. Great opportunity to have jobs and because of the amount of revenue that the ship would generate, Portland can only win on this one because they do bring a lot of revenue. So that's kind of what we're really excited about. Education, also emergency preparedness. The ship has a lot to offer. This is not a war ship. This is a floating airport. But it would now be a museum which we think would be wonderful for everyone to enjoy and I can imagine a lot of the universities and schools would probably have satellite classrooms aboard. The other good news is along with that there's a very large building. I think you all have a picture. That building is 77,000 square feet building which was built in 1892. So that's kind of historic. What we would like to do with that building is make it the largest native american museum in the entire west coast. Incorporating also the state of Washington. We have so many great tribes, and what a culture, what a treasure that would be. This would give Portland -- you have no tourist attraction here. So wouldn't it be nice to have not only a floating museum with a lot of education going on, but for emergency preparedness you've got 64 icu beds on that ship alone. So something were to happen, think where people can go. This is really wonderful. But the financial aspect for the business community in Portland would be tremendous including a lot of education which there would be classrooms there, so that's wonderful. And we're not asking the city for a dime. We want to bring something to you that's wonderful that everybody can share and having the largest native american museum on the west coast. There's your tourist attraction. That's all year round. So we're pretty excited about it. We want to share

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that with you because it would be on the east end of the willamette river, and the good news is you have light-rail, which is right there too, that would -- then everyone would benefit from this in the business community.

Adams: Thank you very much. Appreciate it.

Ghiglieri: Are there any questions? All right. Thank you for this opportunity.

Adams: Can you please read the title for item 1313.

Item 1313.

Moore-Love: Request of anna stiefvater to address council. She will be rescheduling.

Adams: That gets us to the consent agenda. I have had a request to pull 1318. Any other requests to pull? Can you read the title for 1318?

Moore-Love: Authorize multiple applications to the Oregon department of transportation for grants in the amount of up to \$39.125 million for transportation enhancement projects.

Adams: Any other items to pull? If not, can you please call the roll on the consent agenda?

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

Saltzman: We are appointing tab savinar to the design commission. He's here but didn't want to say anything. I want to acknowledge what an outstanding addition he will be to our design commission. Perhaps no one other than tab has a feel for the city on how it should look and how we can improve it. We appreciate him devoting the many hours it will take to be on the design commission. A good addition. Aye.

Adams: Aye. Congratulations. So approved. Can you please read the item and call the vote for 1348.

Item 1348.

Adams: All right, so earlier, I don't know who is staff for this. Earlier -- come on up. Earlier this year, I authorized an amnesty for businesses that had found themselves not having paid the appropriate amount of the city's business license fee. At the time I said that one time revenues would be as determined by the city economists, one time revenues would be used for the existing fiscal year, but that any revenues that were booked as being received on an on going basis by the city's economists that I propose that we apply that to further increasing the owner's compensation deduction. That is a goal of the city of Portland to increase that and apply that to such an effort. The owners compensation deduction for 2012 is 88,500. So 2013 with this amount would raise it 2,000 to \$90,500. Modest amount but shows our continuing good faith and commitment to this policy of the city. We would be happy to answer any questions you have.

Saltzman: This is an ongoing change. Not a one-year?

Adams: Yes.

Saltzman: I think we had a goal of up to 125,000?

Adams: Yes. Does anyone wish to testify on 1348? Does anyone in the room wish to testify on 1348? Move to second reading, further consideration by the city council next week. Please read the title for 1349.

Item 1349-1351

Adams: Go ahead and read the 1350 and 1351.

Adams: Three years ago city council adopted a climate action plan to reduce carbon emissions by 40% by 2030 and 80% by 2050. One of the actions outlined in the plan is to purchase or generate 100% of electricity required for city operations from renewable sources by 2012. It's interesting to note one of the largest misconceptions about where our electricity comes from is that we get our electricity from bonnevillle or from dams on the columbia river. We are very proud to be the regional headquarters for the bonnevillle power administration, but we get virtually no power, electricity power, from the bonnevillle system. Instead, we get 40% of our electricity, the last time I checked, from coal plants. Approximately another 30% from other fossil fuel based like natural gas. So although we like to talk a good talk about being sustainable, when you plug in your toaster,

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your hair drier or sit under these lights for every ten minutes seven minutes come from nonrenewable sources. What's in front of us is the proposal to modernize our street lights so that we are energy efficient. We are providing much better light than the orange lights that you see if you land at Portland airport at night that are outdated. We also in doing that seeking to fulfill our commitment made in the climate action policy to purchase renewables. The over all including the street light cost is around \$280, more or less?

Michael Armstrong, Bureau of Planning and Sustainability: Should be a little less than that, yes.

Adams: Less than 280. Because you'll recall the kilowatt crackdown program that we have started with the building and management association in Portland were part of that kilowatt crackdown, so we're giving bureaus a year to come up with the efficiencies so that the cost to the taxpayers for this is actually below the \$180,000 that's estimated right now to be purchasing renewable power and with the kilowatt crackdown program we're giving them the technical assistance to do just that. I think the last time the city did a major push on renewables was under commissioner Saltzman when you first put together the office of sustainable development and the city did an aggressive and expansive effort to make its own energy use more efficient. Mr. Armstrong?

Armstrong: Thank you, mayor. Commissioners. I want to just show a couple slides to illustrate where we are in terms of our electricity use and what this opportunity to purchase certificates for the equivalent of our current power from nonrenewable sources. The chart in front of you --

Saltzman: Want to introduce yourself?

Armstrong: Thank you. I'm michael armstrong with the city's bureau of planning and sustainability. The chart shows our current production from on-site renewables at city facilities. Wastewater treatment plant, a number of solar installations. We have some small wind turbines and small hydro facilities. Those amount to about 9% of our electricity needs. We're also now getting almost 7% of our power from new renewable sources through the utilities under state law they are complying with that. Part of the over all policy framework. The balance of our power comes from the grid. As the mayor noted, that is primarily from coal, significant amounts of natural gas, some hydro, but it's overwhelmingly fossil fuel based. We have included the piece on top for efficiency projects since 1990. We have been very diligent for quite a few years now an the savings amount to about \$5 million a year in lower energy bills for the city than they otherwise would have been, so we have made real progress. There are plenty of opportunities still to go. The proposal in front of you would take that middle section, the electricity purchased from utilities, and apply an overlay of renewable energy certificates, essentially the green attributes of power produced from new and renewable resource like wind, geothermal, biomass, solar. We're also adding in the conversion to led street lights that we'll talk about in a minute. It is a huge project. It would be the single largest energy efficiency project in the city's history to my knowledge. It will reduce our total use by a little over 10% total electricity use. It's a huge project. You'll hear more about it in a min. That's the kinds of project that helps reduce our over all demand and we have less energy we need to green up through renewables. It's an important piece of this. I want to underscore the mayor's point about sources of power for the city as a whole. The numbers are a little over 40% as the mayor noted. Just because of the location of where city facilities are they tends to be in Portland general electric territory. Slightly less coal, 34%. The city-wide number is over 40%. But it's less than a third is hydro.

Adams: It's gotten better, good.

Armstrong: It has. It's about the same honestly. It's a question of where city facilities are located. Your numbers are right. On average the city pays 8.6 cents per kilowatt hour across all of our facilities operations, street lights, everything. Some Portland general electric, some pacific power. I want to contrast that with what you're paying today. Currently it's 8.6 from largely coal and natural gas. On the right is the proposal in front of you. An estimated cost of 8.8 cents per kilowatt

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hour. The actual numbers if this goes forward we would do a procurement process to see what the bids are. The estimated cost would be an additional .2 of a cent for the kilowatt hour. That's the proposal. It's intended to give bureaus some flexibility if they have budgeted funds this year as at least one has, they could proceed with the purchase now. Others would be able to budget for it as part of the process for 13-14. We're trying to accommodate different bureaus which are in different places at this time.

Fish: Mayor, could I follow up with that?

Fish: Michael, what's the total aggregate cost to the city then of this shift?

Armstrong: The incremental cost we estimate at I think the resolution says 250,000. It will depend a little on actual bids we get back. Could be a little lower. I think it could be higher. The mayor had the number of 280. That's possible. I think it will be a little less than that.

Adams: But the goal is to give bureaus time to go in through the kilowatt crackdown and reduce their out of pocket costs to zero.

Armstrong: Right. Led street light project as you'll hear is an example of that where there are very big savings to the city from the efficiency projects.

Fritz: Why does green power cost more than coal power?

Adams: Green power is not subsidized to the degree that the fossil fuel industry is subsidized, but that's my answer.

Armstrong: You know, the person I would want to answer that is maybe one of our witnesses here in a few minutes. If I could let angus duncan address that. There are many reasons.

Fritz: I would like to hear more about that. My second question is if everybody in Portland were to purchase green power, would that mean that the companies would stop using fossil fuel? The electricity doesn't know where it came from.

Armstrong: If everyone switched to green power overnight it would be very messy. Just in terms of the contracts and how power flows. Over time, this is where the grid, over all electric grid, was not built to handle the kinds of variable power production that you get from renewable resources, so it badly needs to be modernized to be able to handle many different sources of power as opposed to a couple of big mostly coal fired power plants. Over time, it is entirely possible that we can get there. Overnight it would be a big technological challenge.

Fritz: My last question, might be for someone else to answer, what does the extra money go for?

Armstrong: The funds would go to buy what are called renewable energy certificates, which -- this is where in a -- power gets produced at the wind farm, at the solar facility, wherever the power plant is, fed into the grid, and then you can't track it electronically. Where it goes. But the renewable -- environmental attributes of that power in this case are separated from the physical electricity part of it, so the electricity gets sold into the grid as sort of generic power. It's not considered renewable because the renewable piece is attached to the certificate which gets tracked very carefully and traded separately. So bought and sold. We would be buying and selling that. Because of the requirements for utilities to have certain percentages, us essentially buying those certificates for ourselves means they have to get their certificates and their renewable power from someplace else, so it adds to the demand and helps new facilities be brought online.

Fritz: Does the extra .2 cents go to the wind farmer?

Armstrong: It would go to ultimately it goes to the companies that develop and provide the wind power or other source of renewable power. Yes.

Leonard: My question is if we buy 100% green power, does that amount of generation, greenhouse gases, cease to occur or does it shift to somebody else on the grid who purchased it? In other words, in a more global view are we just shuffling chairs on the deck, or is there actually a reduction in the total amount of greenhouse gases produced that equals the amount of increased green power we purchase?

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Armstrong: So this is also kind of what happens the day we buy the certificates versus what happens over time. The day we buy the certificates, the physical earth didn't change. So that power is still being produced at the facilities that were producing it before. But over time it absolutely will shift demand away from coal and natural gas.

Leonard: How?

Armstrong: Because the people owning and running those power plants won't be able to sell their power competitively because there's less demand for it. So it's supply an demand where increasingly we have more fossil fuel supply than as demand shifts to lower carbon sources there's less demands for it, so for example we're seeing shut down in 2020 instead of at least 2040, maybe 2050.

Leonard: Result of a decrease in demands for coal power electricity? More than of a mandate by the state?

Armstrong: Well, it was a negotiation and it was in part responding to the risk of continuing to run a coal plant with uncertainties and a lot of those have to do with shift away from fossil fuels. So whether that ends up looking like a cap and trade system or a carbon tax, all of these things are combining to put pressure on the coal power plants.

Leonard: Fair to say us shifting to 100% green power is an incentive for generating facilities such as they control to convert to solar fuels or wind power. It doesn't do anything right now in terms of the amount of carbon emitted into the atmosphere. It does, however, create more of an incentive for them to shift.

Armstrong: I think that's a fair way to say it.

Adams: That shift is a live and open question in Oregon while boardman is shutting down pge is looking do they have other option there's, besides not only natural gas, that they are also looking at more cutting edge energy production options, and if they know that --

Leonard: Like nuclear.

Adams: No, not nuclear.

Leonard: Portable nuclear. [laughter]

Adams: It's going to be in your basement. I'm not going to continue.

Leonard: I'll have more questions.

Adams: Let's hear about street lights. This is a an example of savings and we have waited and learned by others' experience and we have also waited until the technology we felt was proven enough that you really get not only electricity savings but also the less maintenance required savings as well.

Peter Koonce, Bureau of Transportation: Thank you, mayor. Peter koonce, division manager for signal and street lighting with the Portland bureau of transportation. Thank you for the opportunity to be here. I'm excited to share some of the work we have been doing in street and outdoor lighting. We have worked with our partners, regional partners, Portland general electric and other cities on a street lighting terrace that includes use of leds. The recent passage of this tariff at the Oregon public utilities commission provides an opportunity for the city to provide efficient street lights in coming years. This ordinance authorizes the city to issue revenue bonds to purchase lighting fixtures resulting in a net savings to the city over the life of the project. The project will convert over 46,000 street lights in five years. The setup of the first days of the financing will provide the city with the certainty needed to complete the entire project. Jonas will talk about the financing portion but the savings achieved through implementation of this will allow us to pay back the bond and reduce the general fund, transfer the currently pays the street lighting bill. The question is why would we convert to leds now. The mayor mentioned that we're not the first city that's embarked upon this sort of project. We have been watching very carefully how the city of ceilings has taken the lead in doing a very similar project. They started their effort in 2009. Initially, their cost of the leds was more expensive than today's purchase. We feel confident moving

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forward that we have a cost effective solution. The leds have come down in price much like you would find if you went to the store and went to look for christmas lights that are leds today, the price has come down so that we can offer a net savings to the city of doing this project. We have had some experience with leds in the past, however. We have done all of the red and green indications of the traffic signals, so the city is familiar with this sort of project. We're excited about the opportunity to extend that to street lighting. What we have done in the traffic signals, we have done a similar size of the fixtures in traffic signals. Street lighting offers a better savings beyond the traffic signals because of the power consumption. The power consumption as michael pointed out of street lighting is significant for the city. Over all by converting to leds we'll save up to 50% of the power we have today, which is a substantial piece of our over all carbon footprint. The other reason to do this is to essentially extends the maintenance of the existing fixtures. Today's high pressure sodium, the orange light, has a life span of five years. Today's leds that we would buy today have a life span of over 20 years, never is -- manufacturers suggest a 24-year life span. When you think about the maintenance elements of that not only do you reduce power consumption but it means we have to visit those lights and replace them less often than in the past. It offers savings not only just in the energy side but also on the maintenance side per fixture. As I mentioned seattle has done 48,000 street lights. They are finishing their project. Our staff is uh up there today looking at what they are doing, to understand the logistics. That's an important part of this. Los angeles is embarking on 140,000 led retrofit system. Boston 18,000. San francisco is doing nearly 20,000. We have done our homework looking at what our partners in seattle have been doing and plan to employ those same practices on our project. We have some history with street lighting and leds on mcclully boulevard. We did research with pacific northwest national laboratories to look at the quality of light. When we surveyed the public found that the public enjoyed the whiter light and from a public safety standpoint we know it's more effective. That project along with the loop dental project are two examples where we have implemented the leds and feel this is the right decision for the city. Over all, an exciting project for us in terms of cost savings, quality of the life being better and increasing the liveability of the city. We would follow as the existing hyper sodium lights burn out and even before we will relamp those fixtures. We're partnering with parks to work on a similar project for the next phase, the ornamental street likes in parks and in downtown Portland. With that i'll end by saying that we're excited about this opportunity.

Leonard: What's the difference in power consumption between an led street light and current street light emitting the same amount of lumens?

Koonce: Approximately 55% less. There are some locations where using streets differently will encourage people on bikes on those streets. We may want to increase the level of lighting on those facilities. We'll look at that and be mindful, do we need to change the lighting? Are there pedestrian crossings that weren't there before? Are there opportunities to have a different lens in which we look at this sort of service to the citizens and change what we've done.

Leonard: Thanks.

Fish: When you convert 47,000 existing city lights to leds over three to five years, what do you do with the current lights, assuming those lights still have shelf life? What happens to them?

Koonce: Our current plan is to follow the relamping schedule. Today the hyper sodium lights that are there are replaced on a five-year schedule. That's why the project is a five-year plan. We have to replace those regardless. We will follow the ones likely to burn out in the next few months, then implement an led. It does include recycling of the old heads and we'll get paid for those. We have been happy to see there's a market for those. There's a small incremental cost but a savings for the project for recycling those facilities. But they will be near the ends of their useful life, so we see that as essentially a net zero.

Fritz: I appreciate that answer. I will encourage you to prioritize for safety and for equity when replacement schedules would be made. For instance in prioritizing foster road, 82nd, earlier even if

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they are not due until later in the schedule. I would encourage you to take a look at that lighting, low income neighborhoods earlier. Then I have a question. Are you going to talk about ownership of the poles?

Koonce: Yes. That's another portion of the project. Thanks for bringing that up. It's a small portion of our over all request, but a significant portion. The portion of the poles in east county primarily but throughout the city is that they are street light only poles. Part of this would give us the opportunity to purchase those poles from pge, and ppl, wherever the poles lie in their service area, allow us to eliminate the rental cost associated with the poles that are street light only poles. Today with distribution poles the poles that carry the powerlines, those are poles that are owned by the utility that are in our right of way. So we don't charge them to be in our right of way and they don't charge us for having the street light mounted on those poles. There are 4080 poles that are option a, street light only poles, owned by the utility and we rent those poles from them. By purchasing those 4,000 poles to the tune of \$1.08 million it will eliminate a \$320,000 rental cost per year, so a payback of about three and a half years, which is again something that we have talked about quite a bit. Just haven't had the means to do that. We're excited about reducing our costs even further, reducing that rental cost and taking ownership of those poles.

Fritz: How much does it cost to replace them? Presumably when we rent them, the utility is responsible for replacement?

Koonce: Yes, we have factored in costs for replacement of those poles. The average age is approximately 26 years. There are poles in the ladd addition neighborhood that are 60 years old that are still functional. We're excited if we pay them off in three and a half years their replacement opportunity is there, we'll have resources to do that. We will not have to -- we will pay back the bond amount, but then ongoing we'll have additional resource to be able to replace them if they do need to be replaced.

Fritz: The \$375,000, is that enough to do replacement as well as maintenance?

Koonce: It is. Those poles have a very good life span. That's something that what we have been doing due diligence to confirm they are of sufficient quality to purchase them and that we feel confident of the maintenance on going.

Fritz: If we're buying 26-year-old poles we have been paying rent for, presumably they have been amortizing our projected replacement cost. Are we losing something there?

Koonce: The ongoing rental cost is presumed as a part of that cost. So there are it's something we have factored in. We talked to the Oregon public utilities commission about it. Basically set a fair price for the poles. As we see moving forward there's an opportunity there that gives us a net benefit for the city.

Fritz: Thank you. Which of the three items is the purchase of the poles? The three agenda items I have today?

Koonce: The second.

Fritz: Is that -- nonemergency ordinance? If you could get me the study for the information of the cost-benefit buying versus rental I would appreciate it by next week.

Koonce: Okay.

Adams: Any questions?

Saltzman: I have a couple of questions, but I see our City debt manager here.

Jonas Biery: Let me say a couple things on 1350 and 1351. May clear up some of the financing and savings issues. First, this is actually finance guy always goes last because usually it's the boring part. This is really an exciting opportunity for me because we have a great program that produces some savings structures, just an opportunity to try to minimize the cost of borrowing within an available stream of revenues and maximize the savings that ultimately can accrue back to the city. Item 1350 authorizes limited tax revenue bonds up to 18.5 million for projects including the poles. The bonds to be secured by full faith and credit of the city expected to be paid back from

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general fund savings generated through implementation of the program. Talk about a bit about the savings in a second. In order to match the debt service the anticipated savings in two different phases, the first about \$6.5 million. We expect that to be issued via competitive bidding process next year. The second phase is about \$12 million, prospectively issued 14-15. Second phase will also be structured such that the debt service payments will be less than and eventually -- savings will be sufficient to cover the debt service and eventually exceed that. Each phase of the bond is expected to mature over 15 years or less. The first 6.5 million we expect about 300,000 debt service payment in 13-14 and 660,000 annually thereafter through fiscal 24-25. That will be less than the savings that's projected. So talk about the savings. That's addressed in item 1351. Upon full implementation combined debt service is projected at roughly \$1.7 million a year, savings projected around 2.8 million a year. Current projections indicate that the total savings after payment of the full debt service, there's still an additional 20 million plus in savings over the 20-24 useful life of the led program. As I said, combined debt service is expected to be a net zero, so essentially the debt service will be structured to match the savings for the first four years then beginning in fiscal 16-17 there will be savings above the expected annual debt service. So item 1351 directs that the savings after payment of debt service be used for a couple specific purposes, first for purchase of 100% renewable energy for the street light program. That cost is estimated around \$84,000 per year. Then secondly, amounts above that will be allocated to be placed into a reserve to cover replacement cost of the led program so that what that does, funding the reserves, insulates us from having to incur future costs as the life of those leds expire, we won't need to finance them again. It allows us the ability to really maximize the savings for additional uses. I have to reapply those towards recapitalizing.

Fish: Can I seek clarification? In the financial impact statement, page 2, it says a separate ordinance will address the use of the savings beyond that which is necessary to service the debt. You've just described two categories of savings above debt service that would not come back to us.

Biery: 1350 is the financing ordinance. I believe that's the one you're referring to. That only refers to payment of the debt service. 1351, companion ordinance, addresses those two savings categories that I described.

Fish: Just to clarify because I believe the financial impact statement is drafted -- it's clear a separate ordinance would be required for any savings beyond what is necessary. The two categories you've described, reserve fund and renewable energy, those are not technically necessary to service the debt. Those are other potentially council priorities but I don't still see how that's consistent with what's in the financial impact statement.

Biery: So I believe i'm looking for this, there should be a financial impact statement in 1351 that is independent -- I shouldn't say independent. Related to but independent from the financial impact statement on the revenue bond ordinance.

Fish: There's a separate one for that. That -- your recollection is that specifies that those additional categories of -- savings for those purposes before it comes back to council for authorization to spend anything beyond that?

Biery: That's my understanding.

Adams: Commissioner Saltzman?

Saltzman: Are revenue bonds always backed by the full faith and credit of the general fund?

Biery: In this case what we're calling limited tax revenue bonds, limited tax meaning they are supported by a limited pool of tax revenues, general fund is the more broadly used term, yes. Those are typically when the city issues limited tax revenue bonds supported by the full faith and credit. I say different because different from water revenue bonds, for example, where revenue bonds. Water revenue bonds secured solely by water revenues.

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Saltzman: Anything related to a general fund activity, is that considered a limited tax revenue bond ultimately backed by the full faith and credit?

Biery: Yes. Generally.

Saltzman: I assume this mechanism, financing mechanism has been used by other cities.

Beiry: Correct.

Saltzman: The energy savings we'll see that will repay these bonds you have a high confidence level around this i'm assuming. That the savings will materialize in that –

Armstrong: One of the reasons we're confident is there is a tariff with those rates. We know exactly what we're going to pay for the energy side of it. We have had to estimate what the costs of the installation and a few other pieces, but I know that pete --

Saltzman: A tariff for street lights in general or --

Armstrong: For leds specifically.

Saltzman: So a lower tariff. You can book on those savings. Using that to be most conservative if you just took the lower tariff savings, that could be the source.

Koonce: One potential risk is if energy costs plummet that would present an opportunity for us to ask pge to revise the tariff but they are not under an obligation to do that. They can maintain the existing tariff which includes not just energy costs but also maintenance and other costs that they -- they charge us as part of that tariff.

Saltzman: As our debt manager sounds like you are excited about this. Sounds like you have a high confidence that the energy savings are going to be able to service the revenue bonds.

Biery: Correct. Let me say that we're confident that the pdot project folks has had a significant amount of due diligence including working with outside consultants. We have conservative savings assumptions and conservative cost assumptions. The financing implementation is a couple of phases. It gives us flexibility to either accelerate or delay implementation of the financing to match actual realized savings.

Fish: In a sense we're charting new territory here. There's lots of areas of government where an early and upstream investment produces savings which technically we could craft in an argument to cover revenue bonds like this and the frustration is we don't have those dollars to go upstream, so we spend more money downstream. But in the ordinance it defines revenue as income or receipts to which a public body is entitled. How does a savings become the same thing as a revenue or income to which we're entitled? Seems like a savings is a wonderful thing to aspire to, but it doesn't seem to have the same predictability certainly as something to which you're entitled. I think we're both familiar with those revenue streams.

Biery: The difference is the ordinance is -- the definition is referring to certain statutorily required definition of revenues. The pledge for these repayment of these bonds is not savings. The pledge is everything the city receives. So similar example -- might be we have done financing for transportation that are secured by the full faith and credit, revenues as they are defined here, but ultimately we pay them from parking or gas tax revenues. It's a similar situation, secured by the broad revenues but going to be paid --

Fish: Does that impact the interest rates that we get in the market? Does it change the investor's view of this if it's not a specific pledge of a revenue, just general --

Biery: It does not in this case because we're pledging the full faith and credit. So we get the same cost of borrowing as any other time.

Fish: Have we done this before, this mechanism of using savings as the driver?

Biery: In my experience with the city, we have not. Necessarily. This is a little bit unique in that usually we're looking for a new stream of revenue or an existing fee increase or cuts to something else. There's a little bit more of -- this is a different analysis because we are confident that it's releasing --

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Adams: It's my understanding in the private sector there are financial tools or financial products that provide this kind of financing. Like Johnston controls will finance your clean energy retrofit, clean energy works of Oregon to a lesser degree, a little further away from this model, and then other cities have made assumptions about the savings that they are going to get. What I like about this conservative approach is that you're doing it in parts. It isn't the entire amount. We have actually studied the experiences of other large cities but now we are going to be doubly conservative by taking out a portions at a time in phases.

Leonard: Wouldn't it be not unlike if one were to finance their house for a lower interest rate and the money you saved you insulated your attic or put in windows that were more energy efficient?

Biery: That's a good analogy.

Koonce: There's history for this. In 1980 we went from mercury vapor street lights to hyper sodium and we used the savings to purchase the street lights from pge at that time. The study that was done showed that the cost savings was in six years because the mercury vapor requires so much more energy than the hyper sodium did of that day. So history repeating itself to some degree. Technology has leapfrogged, essentially energy consumption, so history does repeat itself, if you will.

Saltzman: You mentioned acquiring poles from pge. Is that a willing seller type deal?

Koonce: It is. It's part of the Oregon utility commission tariff.

Saltzman: Turning to the renewable energy certificates or credits, those are sold on some sort of exchange? Is it like a stock exchange?

Koonce: Kind of like that.

Saltzman: Where do you get a renewable energy certificate?

Armstrong: We would issue an rfp, and there are various, in some cases the original producer still on the certificate might offer to sell. There are brokers who buy and turn around and sell. We would presumably get a variety of bids.

Saltzman: Somebody validates that they do come from renewable energy projects.

Armstrong: Exactly. We would specify as we have in the past. We have bought small quantities of these. We would specify they meet certain certification standards and they are tracked. They have individual numbers on them. This has become quite a very serious accounting business. There's high confidence that they are legitimate.

Leonard: Are we able to stipulate that we want renewable energy credits from Oregon-Washington based products or is that a commerce issue?

Armstrong: I believe we can do that. As we looked at the options you get a range of prices depending where the credits are produced. So something that also can go in to form the ultimate decision. You could pay more --

Saltzman: That's something you could look at through an rfp basis.

Armstrong: Absolutely. We may employ criteria as all other things being equal we would prefer Oregon-Washington based --

Armstrong: Exactly.

Adams: In the intervening week maybe you could get back and copy us more details around that.

Armstrong: We can do that.

Saltzman: My final question is, utilities in Oregon now have a renewable purchase portfolio obligation of 25% by 2020.

Armstrong: 25. Yes.

Saltzman: Does this count towards the portfolio since we buy our power from pge and pacific power?

Armstrong: Our purchase would not. They would still be obliged to get there with their own resources, so this gets to the long term changes in over all production of power where we would be getting ours separate from their obligations.

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Saltzman: Thank you.

Adams: We have one person signed up.

Moore-Love: Angus duncan.

Adams: I want to take this opportunity to thank dean funk and Portland general electric who has been instrumental in poking at and challenging and improving over the past months on this issue, so dean in the back row, thank you for your work and the work of your team on this issue. We really appreciate it. We're very proud to be the home and headquarters of Portland general electric.

Angus Duncan: Mayor Adams, commissioners, i'm angus duncan. I'm president of the bonneville environmental foundation, not to be confused with the bonneville power administration.

Adams: What's your favorite dam? [laughter]

Duncan: we don't have their revenue -- or the nuclear obligations. We're a 501c3 nonprofit headquartered in Portland and also a commercial business. I came here -- i'm also chair of the state's global warming commission. I parenthetically want to acknowledge the really very substantial contributions that city staff have made over the last several years to the state's climate policies, transportation policies, and greenhouse gas elements of those. It's been very important. I'm here to support the city's over all sustainability and carbon reduction strategies and policies, specifically this proposal to continue to acquire renewable energy credits. I have a little paternal pride that I have to acknowledge since the Bonneville environmental foundation was the first entity nationally to put recs out on the counter as a retail product in the year 2000.

Adams: What's a rec?

Duncan: Renewable energy credit. Sorry.

Adams: You knew that. I didn't.

Duncan: 100% national market share that year of a very small national market. We now have something south of a 5% national market share because the market, the recs market has grown substantially. The foundation also works in watershed restoration, develops renewable energy projects for everything from a 200 megawatt wind project in south central Washington to several hundred solar school projects around the country for a variety of clients. We developed two solar projects for the city of Portland at the east Portland community center and east Portland well field. I mention this not just to strut a little bit, but also to make the point that we are a small business in the city of Portland. We're a business that works in renewable energy and sustainability generally. We have revenues between six and \$10 million a year. One of the reasons we can successfully do that is that we can trade on, leverage the reputation the city of Portland nationally. We're certainly far from alone or far from the largest business in this community to leverage that. This expenditure is probably justifiable on business development alone let alone the environmental leadership effects of it. I want to be mindful of your time but I want to walk through briefly how recs operate so you understand what the effects are here. I speak here as both a buyer and seller of recs, and as a renewable energy project developer. Where there has been criticism of recs, sometimes it's a criticism that the revenues are windfall profits to developers, that the project would have been developed with or without them, so it's just a feel good kind of expenditure. I can speak as a developer and as a collaborative developer with many others both large and small projects when I tell you that we look at every revenue stream as incrementally influential in making judgments about our projects. So we'll look at power purchase revenues, we'll look at tax credits, we will look at recs revenues or carbon revenues. And we will factor all of those into marginal decisions about a project. It may not be a go-no go but it may well be can we build a project in a 30 mile an hour wind regime instead of a 32 or 33 mile an hour wind regime. Can we afford an extra mile of transmission to interconnect or not? Can we put that last string of wind turbines out at the edge where they will still produce at a marginally positive rate and produce more renewable resource? We can do that if all of the revenues add up. So those recs revenues are very influential in influencing developers' decisions at the margin. That's where all the dollars have their impact at the

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margin. That voluntary recs market that we started 12 years ago is now about a \$200 million a year national market. The compliance market, same product but utilities buying recs to meet, for example, their renewable portfolio standard obligations understand state law they are frequently allowed to do that, that's probably at least another \$200 million. Then a number of these projects are now moving into the direct carbon reduction markets and that's adding up to additional dollars. These are all additional dollars that flow back into the renewable energy development process. They have that incremental additional effect on moving projects forward through those projects they have the effect on the designers and engineers who try to squeeze another two or three megawatt hours of efficiency out of the next wind turbine decision. Commissioner Fritz asked where the money goes. The answer is it goes to the developers but of course then it goes through the developers to the manufacturers, wind turbines, the designers of the wind turbines, to the companies that help us site the projects. The dollars flow to real substantial gains for renewable energy in the market. I mentioned the compliance market appeared I want to emphasize recs are also extremely useful to both pge and pacific because they have renewable portfolio obligations and one of the ways we basically make their meeting of those obligations more liquid is by allowing them to meet those obligations to a limited extent through the purchase of recs rather than direct development of projects. Projects are lumpy investments and renewable energy credits are very liquid, linear expenditures. So it makes it easier and therefore more cost effective for our utilities to meet their rps obligations if you have an active recs market in play. The voluntary and compliance market all apply to. That that said I guess I would want to close with a couple of quick observations and maybe get to your questions if you have them. One is that I would trade in every sort of work-around that we are using right now that includes recs, carbon reduction markets, it includes production tax credits and cafe standards and awful the other things we are using to try to get at carbon reduction indirectly. I would trade them all out for a national carbon tax or a national carbon cap that would actually make it a lot easier and less costly to meet city an state and national carbon goals. The last thing I guess I would observe is that contrary to the Oregonian's editorial this morning which has a pardon me fairly myopic focus ongoing very short term costs, it should be clear to everybody in this room and elsewhere that we are already paying what were originally characterized as long term costs of climate change. Just in the last month to pick a time frame. There was a report that we shaved the drought in the midwest shaved about a half percentage point off of this nation's 2012 gnp. Half a percent. It's a huge impact. Now commercial traffic on the mississippi is being interrupted because there's not enough water coming down out of the missouri and mississippi to float the boats. The shellfish industry in puget sound is now under threat from acidification, which has a huge adverse effect on production there. There's superstorm sandy, which is going to be a minimum \$50 billion hit and probably more than that. While not all of these are directly affecting Portland and Oregon and the pacific northwest, our time is coming. So that's admittedly somewhat --

Adams: Informed and intelligent description of what's happening?

Duncan: This is why it's important for you to pass this.

Adams: Thank you, sir, very much, for your great work and service mostly behind the scenes on these an other sustainability issues.

Duncan: You're very welcome.

Leonard: I was going to ask when we did the well field and solar field, there was a comparison to that and other like size solar fuels. Do you recall what that was?

Duncan: Comparison in terms of --

Leonard: Amount of electricity being produced.

Duncan: Well, yes. It was i'm trying to remember I think 260 kilowatts, which at the time was a very substantial sized project for the pacific northwest. Up until then we had been doing them in 10s and 20 and 30 kilowatts. East Portland community center was a 30 kilowatt project. I'm sorry,

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80. 260 kilowatts was a very substantial step up from that. They have been doing these in California and Arizona but they have both higher energy prices and more sunshine, so it was a significant step. Now we are doing megawatt size projects in the Pacific Northwest, so your project is now enshrouded but it served its purpose.

Leonard: Me and it. [laughter]

Adams: Thank you, sir. Appreciate it. Both items will be heard next week, second reading. We have follow-up to do with questions raised here. Can you please read the title for item 1352 and before you do that, I told people we would leave the record open if anyone had additional testimony to submit through the end of the week. We got no additional testimony, so today it will be. Please read the title call the vote.

Moore: For 1352?

Item 1352.

Adams: 1352. Thank you.

Clerk: Adjust the utility license law to revise tax rate and tax base for telecommunications utilities operating within the city.

Leonard: Just a little redundant from what I said when we originally heard this, this is a small incremental increase to pay for important services as part of the department of justice settlement in providing better police services, but it should be viewed in the larger context of where Portland and Oregon sits in the United States in terms of total taxation. We're towards the bottom of the list. Doesn't mean that we need to do everything we can to get to the top of the list, but it's clear we have a revenue issue in this city that this alone won't fix, but helps a little bit. I appreciate the mayor's focus and efforts to bring this forward. Aye.

Fritz: We did receive hundreds of phone calls and hundreds of emails and additional testimony. I appreciate the folks who particularly those who wrote in with individualized emails rather than saying the same thing. It's interesting to read how misinformation has gotten out on this issue. As was spoken last week there are 213 land line companies operating in Portland. Number which I find astonishing. There are also some very big companies that are already paying the 5% tax and there are two, CenturyLink and Frontier, not paying it. In the interests of being fair to everybody and providing the same tax rate for all utilities this is a first step towards tax parity. I appreciate the mayor bringing it forward. It's very important to note this ordinance does not dedicate revenue raised to any particular purpose. Those decisions will be made by council next year, the 2013 council, looking at all of the allocations and cuts that will need to be made to pay for needed services in Portland next year. I have considered all the testimony and I'm still very much supportive of this step towards tax parity. Thank you, both Henry and the communications office for all of your good work. Aye.

Fish: I came home last night from a wonderful evening at Jeld-Wen celebrating great soccer and had a robo call on my phone. I'm an AT&T customer. There might be some connection here. It was a robo call purportedly from the Taxpayer Foundation of Oregon or taxpayers something of Oregon. The message was --

Adams: Oregon tax watch?

*****: Taxpayer association of Oregon.

Fish: Taxpayer association of Oregon is how the person identified himself. He said stop the city council from adopting a \$5 million tax. This comes on top of an additional \$850 they have imposed on families which I'm guessing is a calculation of the effect on a median family home of the recent tax measures adopted by Portlanders. Not by the council. Then it had some other fairly inflammatory things including this would disproportionately impact seniors and low income users. I celebrate the fact that we have a first amendment, people are entitled to frame their arguments as they want. I was a little chagrined as an AT&T customer I think I was targeted because my guess is the AT&T wanted me to have that message from the taxpayers association and I as a general matter

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don't like getting robo calls. In fact the state of Oregon has some rules about robo calls generally particularly at election time. I'm going to follow up with at&t to find out whether in fact my customer information was given to an advocacy group without my consent. I would be interested to know how that happened. Again, people are free to frame arguments any way they want including make misleading arguments and from that I received some emails along with commissioner Fritz that have repeated the arguments in the call. I'm going to support the item before us but i'm going to just build on something commissioner Leonard said. You go back to the 2009 audit a fundamental question was raised about equity between cellphones and land lines. It's the question that ultimately I hope a future council takes up because there is embedded in our current system an inequity, and frankly there's a shift, a seismic shift going on in the kinds of services people are using, particularly young people. If we look at this comprehensively under the broader framework of equity as suggested by the 2009 audit we might be able to reach a situation where some pay a little less, some pay a little more but we have also a fair revenue stream. I look forward to that conversation but I think the matter before us is appropriate and mayor Adams I appreciate you bringing this forward and the briefings I have received on it. Aye.

Saltzman: Well, I find this issue to be a vexing one. It's a complicated one too but I think there is no doubt that this will increase the tax on land lines. And it does disproportionately typically affect seniors and elders because land lines to me really are lifelines. They are much more affordable than any kind of cell phone with its package by a wide margin. While that could be taken to mean i'm going to oppose this, I also think that land lines continue to be a bargain regardless with a modest increase in the tax. It does move to a more equitable way of doing franchise utility license fee collections for comcast, integra, now century link although century link does make a good point, they pay a 3% federal excise tax or I should say we land line customers pay that 3% excise tax. That are not paid by land line customers of Comcast or integra. Long story short, I will support this. I think it brings equity. I do think that as I said land lines continue to be a bargain. I like land lines. I have one right here. [laughter]

Adams: a princess phone.

Saltzman: Got one at home.

Fish: At least you have one. I no longer have one.

Saltzman: I have one at home. They have a lot of attributes that people like myself want to keep one. For one thing a land line will work when the power is out. From a public safety and over all emergency preparedness that's a great thing. I think the quality of the voice on the land line is far superior to cellphones which are always fading in and out and all that. I do think that this tax is going to be a modest tax. Probably an additional \$12 a year average. I think a lot of people like myself, when I look at my utility bills I look at the tax portion or if i'm paying a hotel bill, you look at the tax portion I say, oh, you know, there's always somebody adding something. State, federal, local. But it doesn't persuade me one way or the other not to stay at the hotel, not to do something that's going to disassociate myself with that particular utility. So I think this is something that I believe our citizens will tolerate when they understand that it's going to be used in part to pay for our compliance with the justice department consent decree to better respond to those in mental health crisis although as I said earlier i'm not convinced totally that the amount of money we're talking about from the doj settlement of 5 million or so is really what we will spend. But this will help to us pay for the obligations that are not zero. In terms of our responsibilities, funding. So I will support this and vote aye.

Adams: If you believe in equity as most of the telecommunications -- some of the telecommunications folks that have testified and i'm sure you're all registered lobbyists and appropriately disclose how much you spent on the robo calls as required by city law, but if you believe in equity among different forms of telecommunication you have to believe at least in equity

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amongst the same forms of telecommunication. That is amongst land lines. That was a beautiful love letter to land lines I must say. [laughter] I have a princess phone too. Look at that.

Fish: Mine doesn't work, mayor.

Adams: You disconnected it.

Fish: Hanna found savings in our budget by disconnecting my land line.

Adams: The city shouldn't be making choices that integra telecom gets charged under one fee and tax approach but frontier is charged under another fee and tax. That's fundamentally unfair. The unfairness between cellular telecommunications and land line communications is a good point as well. This is an incremental step towards equity. I look forward as citizen sam watching the council take on the issue of cell taxes in the next four years. God bless you. I'll be here to testify in favor of it. Aye. Approved. Can you please read the title and i'll recognize commissioner Fish on item 1353.

Item 1353.

Fish: Thank you, mayor. Karla, could you hand out the red line version of the agreement with the proposed amendments that we are going to move today? While karla is doing that, I just want to provide a little context. Two weeks ago -- thank you. When this matter came to council, we heard some testimony from some folks from the community who expressed some anxiety both about the speed in which we were operating and about the lack of clarity on some issues of concern. Based on instructions which I received from my council colleagues, we scheduled a meeting promptly with the three folks who came before us who had most focused concerns. Joe angel, susan segal and brian burch. We listened closely to their concerns. I brought the director, my senior policy person and me. We sat down and frankly we began the meeting by apologizing for any miscommunication that had occurred. We do have a wonderful relationship with the neighborhoods in question. While we understand that philosophically there are only people every time council takes up the issue of the tma who are opposed to the introduction of parking, we understand that, we also understand when we take additional time to listen to concerns and react to them what we can get is a better product. Out of that came five specific changes that we have incorporated. They are mostly in the nature of clarifying our intent so that the concerns are memorialized. All of these have been discussed with metro. That is concurs with them, that this would not require us to go back to metro, reopen the whole matter and have a second vote. Let me summarize briefly the five items that we addressed. Number one, there's new language to clarify that the 1400 parking places - - spaces are the proposed areas for paid parking and that some trailheads will remain free. That was a concern. Two, new language to clarify that neighborhood transportation issues related to Washington park are within the scope of the tma's worked and the programs will consider solutions to these challenges. An important point because while the money that we generate in the tma will be spend largely within the district, chris Washington park, we recognize there are impacts that extend beyond those boundaries into the neighborhood. We have clarified it's a matter of tma concern about the impact into neighborhoods which also meanings potentially that tma could take action to mitigate. Added language to reflect the shuttle service will connect public transit service to maximize light-rail utilization in the park. You heard that concern from I believe goose hollow. Number four, they will administer a park and ride program targeted for neighbors during nonpeak times consistent with previous agreements. With we heard there a number of people in the affected neighborhoods who use park and ride. Added language to include bike and pedestrian improvements to clarify that bike and pedestrian improvements are part of the Washington park transportation infrastructure eligible for funding. That was important because some of the folks we talked to wanted to be clear that it wasn't just about investing in streets, that it would extend to bikes, bike ways and sidewalks and other infrastructure. Frankly in part because many 6 the people walk through the park and they want a safe experience. Those changes were we had back and forth with the folks that I talked to. Joe angel, who is a frequent guest here, subsequently I had a

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conversation with him to ask him whether he felt that we had met the concerns that he had. He said yes, that he would be relieved not to have to come and testify today. So he has chosen not to come because he feels we have made the appropriate changes. I think there's some people who signed up today to testify. I will simply close by saying we understand that any time you talk about change and change around introducing parking meters, that there are people that are either philosophically opposed or who have heartburn because they are not sure how it's going to work. I think it's again a sign of our responsiveness to those concerns that we have strong neighborhoods participation on the tma. This is not a situation where neighborhoods are going to be coming as advisory groups or as testifiers. The two most immediately impacted neighborhoods are on the tma, at the table advocating for their concerns. I thank the folks who did the follow-up meeting with mike and me. We learned a lot. We listened. I think what we established is a commitment on both sides to continue this dialogue and be responsive as neighborhood concerns arise. So the changes reflect the five substantive changes we agree to. I understand some people want to testify. This is secondly a second first reading.

Adams: Did you make a motion?

Fish: I would move the amended agreement.

Leonard: Second.

Adams: Moved and seconded. This will serve as purpose for more discussion.

Leonard: Don't we have to actually vote on the amendment to get it before us?

Adams: He just moved to substitute.

Leonard: Then we have to vote.

Adams: I was just about to do that.

Leonard: I'm sorry. I apologize.

Adams: If there's any discussion on the motion, if not please call the vote on the motion.

Leonard: Aye. **Fritz:** Aye for purposes of discussion. **Fish:** Aye. **Saltzman:** Aye.

Adams: Aye.

Adams: It's approved for the basis of discussion. Please call the first four.

Adams: Welcome to the city council. We're glad you're here. Please take a seat. Would you like to begin?

Dave Malcolm: Thank you, mayor. I'm dave malcolm, i'm going to first talk as a board representative of the sylvan highlands neighborhood association. I would like to speak after everyone else as an individual. For the board, karla, we have some documents for you and a copy for the mayor and commissioners. Our concern is with the transportation parking and management agreement that you're working on today. This tpma will change Washington park in the future. It's precedent setting and the changes are big. Public involvement is necessary in this. To date there's been discussions with parks and metro and the venues and about a dozen neighbors from arlington heights and sylvan highlands neighborhood associations. These dozen individuals give or take is hardly public involvement. We have been talking about land use issues, auxiliary lots between the forestry center and the children's museum, good neighbor agreement an our shared long term visions and goals for the park. Back in june, thereabouts, brian and I and joe angel and eric nagle of arlington heights met with kim smith and scott robinson. We met outside of the normal meetings where you have two dozen people or so just because we wanted to talk about things and in a small environment and be able to focus without a large committee to deal with everything. We were shown the tpma, told it was a draft, basically a lease agreement between the city and metro. We were told not to disclose it and we were not able to read it or get a digital copy.

Fish: Who told you that?

Malcolm: Mr. Robinson.

Adams: Mr. Robinson?

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Malcolm: Yes, sir. I expressed there should be a public process. Nope, this is just between the lease and the leaseholders and the property owners. It's that type of deal. Okay. It showed up about three weeks ago when metro votes on it. We have shared interests and long term goals. I like living in the neighborhood. I do walk through the park several times a week with my dog. I walk on the streets because there aren't sidewalks in the park. I make a point of walking on the left side so I don't get run into by cars, but when we talk about a, and b happens, it creates suspicion. It doesn't build trust. We want to trust but we have learned we have to verify. I'm going to be talking about that stuff some. We need public involvement with this tpm. It hasn't been there. A dozen people talking about it.

Adams: You're out of time. Why don't you go ahead. You just made your remarks as representative of the neighborhood is that right?

Malcolm: Yes, sir.

Adams: I normally don't allow for you to come back for second bite of the apple, but this time I will. Can you give me your thoughts then as a resident?

Leonard: Could I ask a question that might help a little bit? To help you focus your remarks. Aside from what you are looking at, what do you see as a substantive problem?

Malcolm: That's what I was going to address in my private remarks. I'll jump into that. A big part of the changes that are going to happen at the park are going to be with the tma, transportation management authority. This document forms the tma and is the guideline. This document didn't have public input or process and in forming of it, it talks about forming governance of the tma, the details of how tma will be managed. I agree that we should have a tma. However, when we look at this, we have the neighborhood associations being discriminated against and treated differently than all the other board directors. You're going to have nine directors, two agencies. Well, agencies and the destination venues and two for the neighborhood association for the month.

Leonard: Your opposition is the lack of representation?

Malcolm: My point is that the neighborhood directors are subject to approval by the parks commissioner. None of the others are. Why do we have to be subject to parks approval? We have independent organizations. We are able to select who we want to have represent the neighborhood. Is someone just looking for a puppet that they can manipulate? I don't know why we're being treated differently. It doesn't seem right. There's been no public input on that. I think there should be public input.

Leonard: We had a hearing here two weeks ago. That's part of the public process. We halted the proceedings so the public could have input. If you could focus on very substantive --

Malcolm: I'm getting to that. There should be public representation on the tma board. I suggest adding two director positions, also someone from the east side or someone from the metro area would be a very good representative of public concerns. This is a regional attraction. It's not just the city's best park. People come here from different states and further.

Fish: Can I just comment on that, sir? That's a two-ended sword as I thought about that. If we were to take that as the guiding philosophy, technically I might have to open it up to the 95 neighborhood associations to see sort of by lottery which two would be on the board. We've actually given the two most immediately impacted neighborhood associations a privileged position over the rest of the city to sit at the table because we understand the impacts are different to them. But when you start talking about broadening other voices, then we get into questions about really how do you do that? There's fairness issues in my opinion as you're picking and choosing who else. The problem we've experienced with other tm. is for a tma to work, you need to have the people have the most significant impact, skin in the game commitment. You can't have people just showing up occasionally. I'm confident the two neighborhood associations we've partnered with will have a full voice at the table. Tmas operate by consensus. They don't operate with closely divided votes and drama. The whole idea is to get everybody on the same page. Which we thought by uniquely

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placing two neighborhood negotiations into the mix, which I don't know has been done in any other tma at this level, would give you the voice. I understand that is different from the trust questions you've raised. Trust and verify is my model, too. But you're at the table making all the decisions. I can't give you anymore power than that.

Malcolm: Thank you, commissioner. I wasn't suggesting that the other two at-large directors should be neighborhood associations. It could be something like a cyclist or a business interest.

Fish: Have you made the proposal about at-large representations to anyone on the council?

Malcolm: I have not spoken to you, no. I have submitted a letter from the neighborhood association and also my own personal --

Fish: Did you propose that at metro when they had a public hearing?

Bryan Burch: Yes.

Fish: Proposed two at-large?

Burch: We had two different ideas. My name is bryan burch.

Fish: Is there any reason why two weeks ago either at the hearing or when you and I had a chance to meet why this issue didn't surface? I encouraged you to share any concerns you had, and we had a 24-hour turnaround.

Burch: It's been raised several times in our meetings with the zoo, the metro, and the other players at Washington park. I think, to answer your question directly, I would claim ignorance. I didn't realize that that was the appropriate place to raise it again. But i've also been experiencing over the last 15 to 20 months this sort of gradual wearing down of neighborhood concerns. We've come in with one or two very specific concerns. We want a safe, liveable neighborhood. We want a place where we can walk on the sidewalk and do our living safely. We have made suggestions like having two members from each neighborhood association to counterbalance the weight of the various wpa attraction leaders and metro and parks. It's been pointed out that it's fundamentally nine members, but it feels to us because of the trust issues that you acknowledge that it's seven against two.

Fish: I see another way looking at it as you have twice the seats at the table that parks does. In terms of how we've structured this, we have eight seats, and the neighbors have two. One can look at this in any number of ways. I can assure you -- and we talked about this privately -- our intent wasn't to minimize the neighborhood voice. It was to give you not only a seat at the table but maximize it.

Burch: I think I would agree with you if I had a more confident feeling that what was actually said in our meetings and what was actually conveyed or brought to the public was the same item. I would feel -- I would get behind you and say, yeah, I think you guys have a great plan, and I think that this is something that the park could really benefit from. The trouble is -- and it always seems to come back to this same issue of I just don't believe it yet, because things seem to shift from the discussion phase to putting it on paper phase. And i've read the recent red line version, and I have to say I won't think the language is strong enough yet. I think we're on a great course for conversation, but that's, I believe, what our association has been spending most of its time on, wanting to have a voice that is heard, not just a voice.

Adams: If I could get back to testimony, i'd appreciate it. If you could wrap up quickly your personal views? I think you were summarizing for us. It might be in addition to the views expressed as leader -- as representative -- of the neighborhood association.

Malcolm: Ok. There are several aspects in this tpma that are supported by the sylvan highlands neighborhood association. We support parking, paid parking in the main lot in the zoo area. We definitely support the Washington park master plan and vision. We support the tma as a mechanism to address the blower global issues. We want park improvements. So we have these big goals. The thing is, when you get down to it, the devil's in the details. This tpma talks about the big goals but also does quite a few little details. The difference between the details in there and the bigger

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picture, I think that's what we need the greater public involvement in. This thing has been rushed around. Commissioner, you were just talking to Brian that we had public meetings, something like that. But tpa became public three weeks ago. Because of work duties, I couldn't come to the council meeting two weeks ago.

Adams: So when you said that there are details, are you saying those are details you're concerned about or those are just details?

Malcolm: I could easily offer you my red lines to that, and I think they'd be generally --

Adams: Can you just give me two details that concern you just so I get a sense? Or is it in your letter?

Malcolm: It's clarified in my letter. You look at the two letters, and that's got plenty of details and analysis there.

Adams: OK.

Francine Storzbach: I'm Francine. I'm speaking as a citizen of Portland.

Adams: Could you get a little closer to the mic? We don't have the world's best sound system here.

Storzbach: All right. Going to Washington park should be a pleasure, not an imposed pressure forcing visitors that have gone to relax to watch the clock and fear of fines. I'm talking about the 400 spaces outside the zoo, the people that go there to hike. Some people have no choice but to use cars to get to the park. They're either far from public transportation, have mobility problems, and those people that would be affected by meters outside of the zoo will be negatively affected because of just being low income. They go to the park to hike for free, and they will lose that. When I speak to neighbors in the park and visitors, none of them seem to know about any of this, about the parking meters going up around the arboretum, Japanese garden or anything about six spaces. Most of them are pretty appalled by it. It's almost as if it's been kept a secret from the public. I want to know where there have been no stories on the news and no press releases. I found about this accidentally because I go to Sylvan Highlands meetings. Public process is needed. The entire city needs to be aware and to be informed, not just the neighborhoods adjacent to the park.

Adams: So you object to parking meters out right?

Storzbach: Not zoo parking meters. That I understand. Every zoo in the country practically has paid parking.

Adams: So anything outside the zoo parking lot?

Storzbach: The arboretum and other areas.

Dr. Claudine Martin: My name is Dr. Claudine Martin. I'm on the board of Sylvan Highlands but and also right now speaking as a citizen. This was presented to Metro, and the signatories are all Washington park venues. There was no signatory that represented the public. This is for me the largest problem. I want to make clear that during the 18 months that Parks says we were included, the talks were not about meters and WPA. It was about the zoo. We really have only had three weeks. I appreciate that you met with several people, Commissioner Fish. I was away. Otherwise you would have seen me, too. But an apology for not including us does not make up for --

Fish: We didn't apologize for not including you. We've had 23 public meetings over 18 months, and the draft outline of this deal has been a matter of public discussion since July. What we apologize for is any miscommunication where someone felt like they either didn't fundamentally understand or didn't have a full chance to participate, because we are sincerely interested in hearing all the voices. We are a learning organization and, if we can do a better job, we will. 23 meetings, briefings, other things is at least a good faith effort on our side to engage the neighborhood.

Martin: Ok. I will reiterate that those meetings did not cover leaders in the park, did not cover the transportation plan. Some ideas evolved, but those meetings were regarding the zoo bond and the auxiliary lot, and that has to be made very clear. Furthermore, our letter from the board states we are true neighborhoods. We do not represent all of Portland. This is a Portland park. It is called

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the jewel of Portland. Other neighborhoods need to be involved, not just our two neighborhoods. We are not making decisions for the whole of the city and whole of metro. There is a precedent for procedures when parking meters go in. I think, mayor Adams, you know very well the northwest parking plan. I had to look through that in 2009. A resolution was put forth. There was a analysis, surveys. It was a huge process which ended up in a 103-page document in 2012. Every district has different issues. I think Washington park has unique issues that are with the venues, with our neighborhoods as well as goose hollow, kings heights, other neighborhoods that about the park who were not included. And then, most importantly, the full public. So there are circles. I also want to say that I looked on the parks ordinances, and there's nothing about metering at parks. There's everything from tree cutting to hours of --

Fish: Can you give me a website?

Martin: On the city website under parks. There's nothing about metering. I understand willamette park was the first experiment metering at parks. And I think that this just cannot be a decision made from parks without public input. I also want to say that there are ordinances about good neighbor agreements which we have not yet resolved. There are also ordinances regarding recreation fields and notification of the public. In a way, one could say that Washington park is a recreational field. Since time is running out, I want to go directly to some of our local problems. We have worked -- we have discussed with pbots serious problems on skyline and fairview which are gateways into the park. You say 3 million people come. Well, they're coming through our neighborhoods. We need to have some speed controls like speed bumps. We've talked about roundabouts to help the situation. But what we're hearing, although now you've amended slightly that some revenue us might come -- we are being adversely affected by these 3 million people coming to our neighborhoods. We welcome them, but we need to somehow mitigate the problem. I know that, with parking districts, a certain portion of the revenue goes to the neighborhood for improvements. I do not think our neighborhood should be separate just because this happens to be a park. Finally, I do want to say, when i've spoken -- since we've only had three weeks and that is not adequate time to mobilize. When i've spoken to friends and colleagues off the cuff, the two reactions have been complete surprise and then outrage. I want to sort of paraphrase the british. This is the people's park, and I think we really have to recognize that this needs public input. I would like to suggest that the zoo has 1000 places that are already trying to, by the volunteer method, get people to pay. That's not working. It's not efficient. To put meters at the zoo makes sense. It is the 400 other meters. At the moment, we asked for a map. Where are these going to be? We don't even have that. So I really ask you to table this until there can be working on the details and full public notification. Thank you.

Saltzman: Mr. Malcolm -- and I will offer an amendment. I do think the neighborhood associations should appoint their members and not the parks commissioner. What is it that you fear -- give me some examples of what you fear about being outvoted on? What is it? Hypothetical.

Malcolm: Groups of people talk about this. That is done. Commissioner Fish just said this tpma has been a draft, available since july. Scott robinson showed it to us at a meeting.

Saltzman: I'm not talking about.

Malcolm: That's an example.

Saltzman: I'm talking about what kind of real-world decisions would you worry about being outvoted on?

Malcolm: It's not so much -- it's not the power balance i'm concerned about. What's important to me is process. Details get through the process. How are things done? This has been done without public involvement.

Adams: I'm provide something latitude because I know the importance of your discussion but, for the record, because we've got folks that have to transcribe this, even though it's incredibly repetitive, before you talk, could you just say your name again? That was mr. Malcolm.

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Martin: Dr. Claudia martin.

Adams: Did you want to say something?

Martin: In answer to your question, I think since there are nine potential seats, seven are the venues. The venues can work on block. Everybody's seen that in some of the discussions with the zoo. And so we are concerned.

Fritz: Commissioner Saltzman, I was going to propose an alternative amendment along the same lines but slightly different, and that is that all members of the tma should be confirmed by council or subject to the agreement of council that there could be nominations from any of the other seven members who are known not to get along with everybody else.

Adams: As soon as we hear from our last folks -- we'll hear from everyone that's waiting to testify, and then I will recognize folks for possible amendments, but i'm not going to do it before then. Sir, you've had an opportunity to have a little bit of dialogue.

Burch: My name is bryan burch. I also live in the neighborhood. I've had the privilege to speak directly with nick Fish, and i've had the privilege to speak with all of the players from metro and all of the Washington park venues. It is most important to me as a citizen that these issues of the ability to get along with our neighbors, meaning the venues, is the first priority. I've been involved with this -- i'm surprised to hear you say 23 meetings because, by my count, it was only 16. But i've been at, i'd say, all of them. And my efforts have been from day one to make maybe neighborhood safe to walk in and safe to bike in. The seven versus two, if that's what it could come to, is that in this process in the last 18 months, as a neighborhood association and my position as a citizen, has been that safety issue that I just outlined. Each time it comes before a group, the group being the potential people who are going to be on this group of nine, that instant is constantly pushed aside with the statement, it's outside the park. It doesn't count. We can't pay for that. It doesn't fit into our agenda and things like that. The way I see this is metro wants to divest itself of the responsibility of paying for parking and maintenance in the park. They no longer want to be responsible for something they don't own, so they have pushed it on to you to make a decision to turn it into something that can make a profit. We've been quoted \$2 million a year as a potential profit for the parking meters in this system, and that could fund a great many things which are listed in the document you have before you. I am in favor of many of those ideas where I still come back to each time that the idea that we brought as a group to this body in informal conversations and in formal meetings with the potential t. A members are still not being addressed, and this is 16 to 23 meetings later. Why should I believe that, in the future, it's going to be addressed as it should be safely for all these 3 million people who are going to come to the park?

Adams: If I could ask a clarifying question around safety, are you saying that your concern that is the definition of safety in this authorizing document limits safety expenditures to only areas that are active parks and not the streets to and from or go through parks?

Burch: That is correct. The only street that is a city street is fairview boulevard from goes from arlington heights all the way up to skyline. That is a city street, and the city's responsible for it. All the other streets belong to parks and are treated as park elements like a jungle gym or whatever else is in a park. That is great opportunity for --

Adams: Just so that you can help me, is it section 12 on mr. Malcolm's letter that is the section that you would identify as needing amendments to address your concerns?

Burch: I don't know.

Adams: A general concern?

Burch: As claudia pointed out, there are gateways into the park. Skyline. The big one is the one that comes off highway 26 into the zoo area off of zoo road. But the areas that come up burnside, up/down skyline, up from the lower part of the park are also gateways, and they are not in the park. They are outside of the park. Many of the places on the sylvan highlands end have no sidewalks.

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Adams: I thought you were arguing that the safety expenditures related to mobility, transit, transportation within the parks and the gateways of the parks should be considered for something the money could be used on. Are you, though, suggesting that roadways that go well beyond the entrance of a park be considered as well?

Burch: I think it would be wise for the tma to map out those areas that are actual travel routes. If I was on the tma now, I would be suggesting how -- what is the envelope of the venues that are attracted into the park? Which is a much larger envelope than the park itself.

Adams: I would not give you a chance to respond to a spoken or unspoken concern with that. We lack in transportation funding as we lack in parks funding. You could easily use up all the money on just the streets leading up to the park. I want to give you a chance to respond to that.

Burch: Use up, yeah. The document pretty much outlines how the money's going to be spent for the next 10 years already, so I don't see a large amount of dollars that are available to put a sidewalk, say, all the way up fairhaven from end to end. I am one concerned citizen, and on issues like this you should be hearing from a lot more citizens. Skyline boulevard, fairview boulevard, these are all --

Adams: Is it fair for me to summarize that where park users face imminent threat on some fixed routes that we all know are in and out of the park that those should be at least considered for access to some of this money?

Burch: I think you could fairly summarize that way, yes. I do.

Adams: Not necessarily they have to fix all the problems. Sidewalks are really expensive. I would love to have them all over southwest. I think I get your point. We have worked with pbot, and they have recognized the problem I and they say, you're on the list. But we might be number 50. It really is getting worse and worse with the increased population, especially westward. So this is a big concern that we could have this. But again I want to say we're talking about details. There are many details. In the winter, everything shuts down, so why should people pay parking when there's maybe 850 parking spaces? Things like that, these kind of details need to be worked out.

Burch: Thank you.

Adams: Doctor, as the commissioner in charge of parking, this is a parks project but outside of things like parks i'm in charge of parking. I want to give you a chance to respond as well. I find that people who don't want to see meters happen are never satisfied with the process if it includes meters. And they sincerely and genuinely believe that -- they seem to present a sincere concern about process, but in actuality, they just don't want to see meters go in. I would like you to just do a check and tell me would you support meters with, I guess, more process?

Martin: Already stated, I think 1000 of these 1400 places I am supporting, because that's at the zoo. That would cover a lot. What i'm not supporting is the 400 where we don't even know where they are. I don't even know if there are 400. And that would impact every person who wants to jog for a half hour.

Adams: I understand the concerns. Your concern is with the 400.

Martin: Right.

Adams: I appreciate the exchange.

Burch: You'll find that concern as our official sylvan highlands neighborhood association concern as well.

Adams: Thank you. Anyone else signed up to testify?

Moore-Love: No one else.

Adams: Can we have staff come up?

Fish: Let's bring staff up.

Adams: I have some questions for staff, and I apologize if they're repetitive from the last meeting.

Fish: Maybe before we discuss the proposed and also, if we could have staff answer any questions that you or others have?

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Adams: That's what i'd like to do. So where are the mysterious 400 meters going to go?

Todd Lofgren, Parks & Recreation: My name's todd lofgren, and i'm the property and business development manager for Portland parks and recreation. There's been 1000 parking spaces from hoyt arboretum down to the south entrance of the zoo. As you head north, all of the parking spaces that there's trailheads along the way, four, six spaces, those all would remain open, free to the public without the paid parking. As you head north, then there's the archery range. It's the next largest area in the park.

Adams: The trailheads do not have paid parking?

Lofgren: That's right. Basically there's two reasons.

Saltzman: How about the arboretum?

Lofgren: The hoyt arboretum parking lot would have paid parking in the parking lot and immediately across the street, because its right-of-way on fairview there, there wouldn't be any pay parking on the street. As you go down through the arboretum, the road that goes through that's sometimes closed, there wouldn't be any paid parking there as well. As you head into the north end of the park of course in front of the japanese garden and the roadway and the tennis courts and heading out to park avenue.

Adams: And that would be paid?

Lofgren: Paid.

Fish: I've had folks express some heartburn about playing tennis there and having to pay for a spot. If you've got 1400 regulated spots and you only put meters on 1000 which what you're actually perversly doing is displacing a lot more use on the other 400 which would then have the effect of being displaced into a neighborhood, which we like to avoid with a comprehensive plan.

Adams: The other segment was about process and how long the parking meter portion of this has been out for public comment and how has it been out?

Lofgren: There's been the 23 meetings the commissioner identified. We started talking about a comprehensive approach to all the issues in Washington park in september, 2012. Sorry. 2011. Then in march, 2012, it's the first time we talked about paid parking. Then in june, we met with sylvan highlands association and went through business terms that identified the 1400 parking spaces park wide and how we would use those revenues to reinvest. What we didn't have at that time was a detailed document like we have in front of you today, and part of that was because we were still negotiating with all the venues in Washington park to get that completed agreement. Those boards voted in september and october.

Leonard: So when was this actually put together, the plan that we're looking at?

Lofgren: So that document in final form, the first time it was public was from front of the metro council. And since then --

Leonard: Which is when?

Lofgren: That was -- sorry. I have to go back and look. November 8th.

Leonard: Playing the devil's advocate, why wouldn't you have distributed to the neighborhoods at that time to respond to it?

Lofgren: Honestly, it was about finalizing the legal arrangements between the parties. Up until days before it went to metro council, our city attorney and the metro council were refining language to make sure --

Leonard: Completely understandable. Why wouldn't you have distributed it at that point?

Lofgren: That's when it was distributed, when we went to metro council.

Leonard: Through the neighborhoods november 12th.

Lofgren: November 8th to the public.

Fish: And there was then a full public hearing at metro on that document.

Lofgren: That's right.

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Leonard: Were the people that are here testifying now about a lack of public process notified about that november 8th meeting?

Lofgren: Unfortunately they were notified shortly before, I believe on the 7th, and they were present at the metro meeting, gave testimony, and then we had a meeting immediately following the council meeting over at metro with the folks you see today, two of them. Two of the four. So I guess I want to emphasize that the business terms that we've talked about were shared in june. In july, there was an Oregonian story about paid parking.

Leonard: So in june when you presented what you're characterizing as the business terms, did you say we're proposing 1400 parking meters?

Lofgren: Yes.

Leonard: Did you identify where those were going to be?

Lofgren: Yes. We showed a map, and actually there was -- I believe it was july 6th is when the "oregonian" story ran, and then there was tv coverage that talked about 1400 parking spaces.

Leonard: I'm talking about june. I asked did you show them where the parking meters would be?

Lofgren: I've been bringing a map to our meetings showing the parking locations in the park and outlined paid parking areas.

Leonard: So you identified that. Did you distribute that to the people at the meeting?

Lofgren: I think we just had a large three foot by four foot map that was shown on the wall. And i've been carrying around that map to all our meetings, explaining that.

Saltzman: Can I ask the duration of the parking meters? What is the maximum time one would be able to --

Lofgren: This gets to exactly, I think, the tension we feel, how much detail to put into agreement versus how high a level you want to have it. So we haven't determined that duration decision, because we think the tma forum is the best place to have those types of discussions. I think we had to provide enough structure to show what the general proposal was, and one of the ideas is do you have the same duration throughout the park? One of the principals that's in this document in front of you is we need to keep it simple for customers and visitors to Washington park so they understand we don't have four or five different charges rates to make it overly complicated.

Saltzman: If you want to park downtown, it can be overly complicated. I want to make sure people can buy a sufficient amount of time on a meter to match their experience.

Lofgren: Right.

Fish: Our hope is that, with the partners at the table -- for example, how long does someone who comes to hoyt normally spend? We don't want to punish people. We want the tma to figure out what are the sweet spots where someone can in confidence park their car, have the full experience, not get a ticket.

Saltzman: Is it safe to say that you're going to be able to buy at least an hour?

Lofgren: That's right. Our proposed strategy for that confirmed by the tma is to start at \$1.60 an hour, to have a maximum daily rate of \$4, which is the current rate that's charged for visitors that are coming to the world forestry center, children's museum, and the zoo now during fall, winter, and spring. During peak season, which is summer, although the children's museum peak is actually january, not summer, so the lot does fill up. The peak season for the entire park would then go to \$6.40 for the full day. The idea is to keep it at a price point that is affordable. If someone wants to go and have a two and a half hour experience, they can just pay their \$4s and not have to come back and pay the pay station. The other thing is to discourage park and ride visitors to the park during peak times when we don't have the parking, inventory in the park. That's \$6.40 we think that will discourage that. If you go to the north end now at the park avenue entrance, you'll see cars that are parked there that are using it as a parking ride to go downtown. People are just using those now because they're avoiding the goose hollow parking.

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Fritz: If it's a maximum of \$4 a day, that's 2.5 hours at 1.60. I used to spend a lot longer at the zoo with my kids.

Lofgren: That's the most you'd have to pay.

Fritz: So my meter's expired.

Lofgren: It won't expire when you pay that \$4. Your option will be 1.60, \$3.20, \$4 all day, and that all day will allow you to stay as long as you want.

Fritz: Why would somebody who wants to commute downtown not want to pay that?

Lofgren: Because we think the \$6.40 is a high enough price to discourage people from parking at the park and then getting on a bus or riding their bike or getting on max where today I paid \$9.25 across from the art museum. For that extra increment of \$2, I'll go ahead and pay the extra charge downtown rather than going through the inconvenience of having to get on another mode of transportation to get to me destination.

Fritz: I do think this discussion evidences the neighborhood's request and mine at the previous hearing to have some representatives on the tma who don't live and work in the district. I have some questions about the logistics of the budgeting. It says on page 16 that Portland parks' director and the metro chief operating officer will designate and approve the tma-recommended budget and annual parking rate structure. But then on page 17 it says the tma will contract with the city for accounting and financial management and will provide an annual budget for submission to the city as part of the city's budget process.

Lofgren: Right.

Fritz: We're setting up an independent nonprofit to manage millions of dollars of parking revenue.

Lofgren: Let me clarify. All of the parking revenues that come from the pay stations come into a city-controlled account, and then the city, through Portland parks and recreation, will have an agreement with the transportation management association that is an independent non-profit allocation of their funds on an annual basis. I like to use the example of Pioneer courthouse square, we have a nonprofit organization, pioneer courthouse square, inc. That manages the square for us. We have management agreement with them that as a five-year renewal, on an annual basis city council approves how much each year that will allocate to them on an annual basis.

Fritz: Does this include a five-year go back to Council and report on what they've done?

Lofgren: Right. For the transportation management association, we will be giving reports back to Council to get our allocation for the future year through the budget process.

Fritz: And they will be reporting on what they've done and such? Continuing on with the logistics, it says the tma will retain a professional full time director and 1.5 part time staff. Before there's meter parking money, how will that happen? What will pay for that?

Lofgren: Right now existing staff from all the existing venues have been doing this work for many, many years based on our existing staff costs. So until we hire a person, we won't make expenditures on that person until the parking meters go live.

Fritz: So who have been organizing the formation of the tma?

Lofgren: Portland parks and recreation staff, metro staff, the existing zoo staff, and then we'll have the neighborhood participation. We've asked the neighborhoods to suggest representatives, and so in January we would have our tma formation process beginning with neighborhood involvement.

Fritz: And was it your intent to bring the membership of the tma to council?

Lofgren: No. And there's reason for that. We've set this up for the tma to be an independent nonprofit and not an agent of the city, and so we right now, based on and approval from the city attorney's office, have our representation and then the approval of two of the neighborhood representations. All the other organizations have their own representation. If we were to take on the city, nominating and improving all of the board members, it would no longer be an independent nonprofit, it would be an agent of the city.

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Fritz: It says the pay stations will be installed by the spring of 2013. That is realistic?

Lofgren: If we get approval from city council, we have authorization to move forward from all the other organizations that are in this document, and the next step is to place an order for pay stations and do installations of which we've had preliminary conversations with pbot to have their staff assist us in doing installations. Right now there's a couple locations where Portland parks and recreation and pbot worked together, and they provided that for us.

Fritz: Won't we have to buy them? That could take awhile.

Lofgren: If we get the approval, we'll be able to use a contract that's existing to order the pay stations.

Fritz: Where does the money come from up front?

Lofgren: That's part of our presentation here. It's for Parks for pay that money upfront and get repaid through the revenues through the parking.

Fritz: In light of your comment that we, the council, cannot -- if that's what i'm understanding from the city attorney even initially approve the members of the tma?

Fish: It's a legal yes, commissioner. It's not that we can't. It changes the status of the entity we're creating just as we don't currently approve the nominees and board members of pioneer courthouse square or other nonprofit entities that assist us. The legal opinion we got was, if the council were to review those, it would change the legal relationship and it would no longer be what we intend them to be, a nonprofit acting with us, but one step removed from us and it would make them an agent. And so we've been cautioned against doing that because it changes the liability and authority issues.

Fritz: So in that case, Commissioner Saltzman's amendment is one I would support. Then the neighborhood associations must get to choose their own.

Fish: I'm happy to accept that as a friendly amendment. It's been misconstrued that we are going to control the neighborhood associations.

Leonard: I would point out that it is a standard process in the city, whether it's advisory committees, the public utility review board, to have a commissioner in charge appoint to them. In my experience, there has been two or three times that that has been a valuable tool and not because I want the control of what people do or do not do or say or do not say. I have a history of appointing people who sometimes violently disagree with me. Unfortunately they haven't been able to make the transition after i've appointed them to go to the water bureau advisory or the purb to interact professionally. In fact, in a couple instances, they dominated the meetings and shouted down other people that were on the budget advisory committee to such an extent I had to literally have them removed from the committee and appoint somebody new. So I understand the concerns articulated, but it's to me a very important tool to be able to certainly appoint people that are reflective of the community but also more importantly to make sure you have people that are being responsible, respectful, and interacting on an appropriate basis.

Fish: There was no intent to interfere with the early process of designating someone, but the argument that's been raised here before us is that one class of members are treated differently than others. As I read the language, I don't see any particular reason why we couldn't just tweak it to say all representatives are subject to approval by the pp and r commissioner. There's a designation process. We were not suggesting that the neighborhoods' representatives were anymore problematic than anybody else's. It actually follows tradition. I'd be happy to change it so that all the nominations are subject to nominal approval. Approval doesn't mean that i'm going to interfere with the process. It just means that there's a minimal amount of screening that goes onto make sure the person's prepared to make the commitment and is prepared to serve.

Leonard: And in my experience it's less influenced as a commissioner in charge exerts as to who's there as it is to make sure the people that are there are interact appropriately.

Fish: Mike.

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Mike Abbate, Director, Parks & Recreation: I think we could -- I understand the attempt. I want to make sure -- this has gone to metro council with this structure. We have many partners at play here.

Fish: I understand that. But I think since we're in a unique situation where it looks like we're going to go to a vote next week because we've had new testimony today, I think we could go back and double-check and make sure that is not considered a material change. It doesn't trigger having to go back to metro, get people's comfort level, and i'd be willing to advance that.

Saltzman: Does that make them agents of the city?

Lofgren: I'm not an attorney.

Fish: It's not coming to council. It is simply a mechanism to insure there is some minimal level of commitment to the process, and i'm happy to extend that to all the people who are nominated.

Leonard: I'm comfortable with the language as it is.

Saltzman: I like the idea of the neighborhoods appointing their own representatives.

Notwithstanding nightmare experiences around mount tabor and open reservoirs, there's something that resonates with me about each agency getting to pick their own representative. It shouldn't have to be screen the by the city in any capacity. Japanese Garden, Forestry Center, Children's Museum, the neighborhood associations. I like the idea of them choosing their own representatives free and unfettered by any screen.

Fish: That's actually not what the document currently provides. I think this is the problem with picking one issue and going on the fly. The language says the director of those organizations will serve. So it's very proscriptive. They don't totally have the freedom other than to select their director. Mayor, i'm happy to go with council will on this if you want to poll the council. To me, it's six of one, half dozen of the other. I think it's been unfairly characterized as somehow a restriction on the neighborhoods.

Adams: Is it 7.2?

Fish: Page 16.

Adams: Should neighborhoods be able to appoint their own representative without subject of the approval of the commissioner in charge?

Fish: We'll have to take a poll.

Leonard: In my view, they'd nominate who they want, and then it's approved by the pp and r commissioner. I'm fine with that language.

Fritz: I think the problem is where that language occurs. It does say the director of the organization or his or her designee, so that could allow for a member of the zoo or the children's museum to be designated on the board. I'm still very concerned that there isn't any at-large representation. They have to be treated the same way as everybody else.

Adams: We'll get to that, I promise. In terms of the neighborhood representatives do you want them all approved by the board of commissioners or just whoever they select?

Fritz: It's not an either/or. I want them all to be approved. They have to be treated the same as everybody else.

Adams: So do you want them all approved by the parks director or none of them approved?

Fish: I think she's saying she would like 7.2--

Adams: I want to hear from her.

Fritz: What I was going to --

Adams: We'll get back to your bigger question. For now, would you prefer them all to be approved --

Fritz: Yes.

Saltzman: I want the neighborhoods to be able to appoint their own representatives.

Fish: I'm comfortable with the language that says all nominations are subject to approval of pp and r commissioner, which approval shall not be unreasonable withheld.

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Adams: I'd take that as a motion and i'll second it and call the vote on the motion. Everyone is subject to the approval of the parks commissioner.

Fish: Which approval shall not be unreasonably withheld.

Leonard: Unreasonably withheld. Aye.

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

Saltzman: As I said, I believe the neighborhoods should be able to appoint their own people without any screening, so I vote no.

Adams: Aye. All right. Any other amendments?

Fritz: I'm concerned that this is being set up now when there hasn't been a lot -- well, there's been three weeks of discussion. I'm wondering if there might be value in discussing doing what has been propose inside the northwest parking plan, which is setting things up with a comeback to council after five years to become totally independent.

Adams: Is there a second? Assuming that was made in the form of a motion, which I might add is some of our tmas are not nonprofits, and I think some are, so there's a choice. And you've heard a little bit of the pre sort of discussion about their pluses and minuses to those. So is there a second for that idea? Ok. Are there other potential amendments?

Saltzman: I have a question, maybe not an amendment. So the tma executive director and the staff person are employees or a nonprofit. They are not public employees, so there's no expectation that the executive director from the staff person would have pers benefits, city benefits, metro benefits.

Leonard: Hopefully they'll be minimum wage, no health insurance, no pension.

Lofgren: Not agents of the city.

Saltzman: we do need to check about that pp and r appointment or screening. They are an employee of the nonprofit, and the benefits are not pers.

Adams: Any problems with the screening?

Linly Rees, Deputy City Attorney: To be clear, i'm not parks' attorney and i've not been involved in this at all. My understanding of the motion was -- and I was trying to get a hold of Harry at the same time the motion was made. It was to add language to the citizen provision which says approval would not be unreasonably withheld?

Saltzman: It's all members now.

Fish: It currently says some members of subject to my approval.

Rees: As somebody who's not been involved in this at all, that causes some concern. I am not certain it's the act of going to council that makes it an agent of the city. Having it approved by a commissioner may in fact have that same effect.

Fish: That was the language that council approved. In the intervening week, we will clarify with the city attorney that this does not change the legal relationship.

Leonard: When we have nonprofits that are quasi-city employees, how are they treated in terms of their employment?

Saltzman: It's not a 501C3 nonprofit. It's an office within the city.

Leonard: They're city employees?

Saltzman: Well, they're supported by public dollars.

Leonard: What's this? I mean, why wouldn't these --

Saltzman: This is -- supported by parking meter revenue.

Lofgren: We have many --

Adams: If you don't mind, as the facilitator of this meeting, we've been joined by the very esteemed harry auerbach. So our question is, if a nonprofit membership is subject to the screening approval that is not unreasonably withheld, does that kick in things we wouldn't want?

Fish: A yes or a no might be a satisfactory answer.

Harry Auerbach, Chief Deputy City Attorney: If I wasn't a lawyer, maybe I could give you that answer. The answer is maybe.

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Fish: How could it be maybe if we simply expand that to include everybody?

Auerbach: Because the test of whether the entity becomes the alter ego of the city becomes on how much control you have over it. The more control you exercise, the greater the risk you're turning it into a city alter ego. As long as we only have a minority representation, we're fairly comfortable that you're not exposing yourselves to the risk of being the employer of the nonprofit's employees and liable for its liabilities. To the extent that you control its functions, that risk increases.

Adams: Having screening approval would potentially trip that wire.

Auerbach: I would say that was a risk.

Adams: It's the general view here that we want to treat all people the same. Do you agree?

Fish: I appreciate the discussion. Mayor, if you would like, why don't we just take 7.2 and delete the language and approved by the p p.r. Commissioner.

Adams: It's been moved and seconded, and we will rescind the earlier amendment. I'm going to consult with the city attorney on the process. I appreciate everyone chiming in. Your voices are all beautiful.

Linly: It would be cleanest if you would have someone move on the prevailing side, which is all of you, to move to reconsider.

Fish: Move to reconsider.

Fritz: Seconded.

Adams: Moved and seconded to reconsider. Please call the roll.

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

Adams: Aye. I recognize commissioner nick Fish for a motion.

Fish: I'd amend 7.2 to delete the phrase and approved by the pp and r commissioner in line 6.

Leonard: Don't we have to first vote to annul the amendment?

Adams: We've already done that.

Leonard: We reconsidered.

Rees: You did reconsider. The next step is to get rid of the old --

Adams: Please call the vote on removing the amendment or on the amendment. We are considering the amendment anew. So if you don't like the amendment, you vote no.

Saltzman: The rolled amendment.

Adams: The old amendment.

Leonard: Actually, you vote no. No.

Fritz: No. **Fish:** No. **Saltzman:** No.

Adams: No. I recognize Commissioner Nick Fish for a motion.

Fish: Can I move an amendment to 7.2 of the agreement lines five and six, strike and approve by the pp and r commissioner?

Saltzman: Seconded.

Leonard: Did that resolve the issues you were concerned about?

Auerbach: As well as they could be resolved.

Adams: Please call the vote on the motion.

Leonard: Aye.

Fritz: I can hardly wait to read the mercury blogtownlive blog of this. Aye.

Fish: That worries me, amanda. Aye.

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

Leonard: I want to get back to the issue I was raising about the status of the employees. Is there some prohibition from them being public employees?

Auerbach: There's not a prohibition. The idea is that, if you don't plan for them, budget for them to be public employees, you wind up with liabilities if you wind up in fact being their employer, because the degree of control you exercise --

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Adams: That's a slightly different question that you're answering but maybe useful. Our nonprofits are subject to living wage, are they not?

Auerbach: I don't know.

Saltzman: Is the executive director of pioneer courthouse square covered by pers?

Auerbach: No. The executive director of pioneer courthouse square is paid by the nonprofit.

Leonard: How is it determined?

Auerbach: By the board of pioneer courthouse square, inc.

Leonard: Is there a pers-like retirement benefit?

Auerbach: I don't know what her retirement benefits are. It's not pers.

Leonard: The bigger point I want to make is I don't want to inadvertently vote for something that's a rush to the bottom.

Auerbach: No.

Saltzman: I don't think what i'm talking about is any way or form a talk about a rush to the bottom.

It's simply pointing out the concern, rightly so, about pers liabilities and whether there's an obligation for a nonprofit to match city benefits for retirement and health. And I think the answer is no. We're one voting member after nonprofit.

Adams: Based on current practice, subject to—I have other issues I want to raise. Did you finish?

Leonard: I'm waiting for an answer from commissioner Fish.

Fish: Commissioner Leonard, let me use the example of the city funds we invest in the service coordination team. Those monies are invested largely in part to nonprofits that provide the services.

Because they are nonprofits, we don't set kate turan's compensation and benefits. It's done by the board. Now, she is well compensated for her work. Some of the nonprofits we contract with like central city concern, the employees have exercised their rights under labor laws to organize, and they've brought in a union. They have exercised those rights, negotiated collectively. Typically when we work with a nonprofit, the city doesn't set the terms of compensation. Commissioner Saltzman opened the door on this by wanting to put down a marker which I would not support, because it's not germane to this debate. But nothing we're doing today alters the existing legal rights of employees of any nonprofit to bargain, organize and seek maximum benefit. I would be opposed to using this format to change anything with respect to those relationships.

Adams: Are you satisfied?

Leonard: Thank you.

Fritz: In 7.4, it says that the tma will be funded with a base amount of \$375,000 adjusted annually intended to support 1.5 full-time equivalent employees to operate the tma and provide all services. What else other than the 1.5 employees does the 375,000 go for?

Lofgren: Right, this is what will be decided through the transportation and management association's board of how to expend those additional funds. Some of the ideas are what kind of incentives can we give out to park visitors and venue visitors to use of the max. Are there discounted rates we can buy in bulk from Trimet to get more people out of their cars and other alternative means of transportation. There will be a new website that will be targeted to the park visitors. So the day you're going to the park, you're going to be able to see 11:00 in the morning the south end parking lot's going to be full. We're going to recommend, if you're coming after 11:00, that you go onto the off-site shuttle lot or park in another location in the park. So it's going to be pushing out communications as well as buying transit incentives or other programs that enhance the visitor experience at Washington park.

Abbate: A big portion of the public will go to public information. It could be new signage in the park. It could be web pages, advertisements, those kinds of things that help people understand how to use the park.

Fritz: How are you envisioning getting input from visitors to decide that?

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Abbate: I think it's important to recognize that the venues themselves are incredibly responsive to their membership, so they know, the zoo or the children's museum -- they have their finger on the pulse of their users and what's important. So we're going to have the added ability for those organizations to use their communication networks. The voices of all the Portland residents are going to be in there, because they're the folks that go to the zoo and children's museum and Hoyt Arboretum.

Lofgren: One of the existing tools that's used by the zoo is exit surveys from visitors that are coming to the park. So we know how long the average person stays, how many people come in their vehicle, what percentage of the people take cars, the bus, the max. That's done really well now by the zoo. That's 1.6 million of 3 million visitors. There's 1.4 million visitors that we don't really have good understanding. This tma will be doing that survey work with park visitors to identify where our best investment are for transportation programs in Washington park.

Fritz: Thank you. And if we can have more conversation in the intervening week that would be helpful. My final question on this piece is it says that the tma prepares an annual budget for submission to the city as part of the city's budget process. Am I correct in my understanding that the only thing we would be looking at as a city council is do the numbers match? We wouldn't have any input into those choices made by the tma.

Fish: As currently happens with other tmAs, for example the tma that's in Swan Island, they come to us because we have a fiduciary role to make sure the dollars and everything adds up. We do not make decisions about spending. Because these are public dollars, we are ultimately accountable that they are accounting for the money properly. Our function is oversight. We are not the appropriators.

Adams: There will have to be a contract between the nonprofit for services.

Lofgren: That's right.

Fritz: Like the office of neighborhood involvement contracts with non-profits. Where I still bear some responsibility to make sure they do things properly. Will the parks director have that responsibility with the tma?

Adams: In a contractual you're fine except for Harry's issues as long as it's in the contract, in a contractual relationship.

Fish: Like the director of Pbot on those tmAs, we are ultimately responsible for how public dollars are used. Mayor Adams, I'd like to recognize you for an amendment.

Adams: On page 17 of 31, the fourth line where it says web information for alternative modes -- and I can put it somewhere else -- transportation-related safety projects so add four words.

Fish: Seconded.

Adams: It says among other things already, so it doesn't preclude transportation projects. But based on your concerns, it also doesn't preclude spending money outside the district either. But it doesn't guarantee it either. It will be in the loud discussion as part of the tma's work.

Fish: I reason I second this is this will now be the second place within the text where we are evidencing a desire to go beyond the geographical boundaries of the district to consider impacts of transportation and parking.

Abbate: Mayor, I apologize. Where are we?

Adams: Page 17. We're in item number 8, the fourth line down. Begins with "and web information."

Abbate: Got it.

Adams: It's been moved and seconded.

Fritz: You said it is intended to be included outside of the district?

Adams: I read this, and I don't see anything that prohibits this organization from making mission-related investments outside the district.

Fritz: Does it say that anywhere else?

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Lofgren: We haven't limited the tma to have that. Of course we'll document this again through our contractual agreement between the city and the tma.

Adams: Let it herefore be known as my legislative intent.

Fish: We also have a letter that has been furnished to Council.

Adams: Karla, please call the role on the proposed amendment.

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

Adams: Aye. Any other work on council, questions, comments? Final thoughts?

Fish: Mayor Adams, it was my intention to request the council slap an emergency ordinance on this so we could vote on it today. Based on the conversation we've had, the progress we've made, I would prefer that we take this to a seconding reading next week. If there's any further questions that my colleagues have, we'll address that and take it up for a final vote next week if that's the will of the mayor.

Adams: Sounds good. Thanks. Moves to further consideration. Karla, please read the item that was pulled.

Item 1318.

Fritz: If the parks folks could please stay?

Leonard: They're running out of the door.

*******:** She has a question about the parks.

Fritz: This was the item that was pulled. One of the proposed projects is a million dollars for the shuttle service, and I just wondered about that.

Todd Lofgren, Parks & Recreation: Our grant application -- todd lofgren, property and business development management manager of parks and recreation. In our grant proposal, we're looking at three alternative powered shuttle buses that we've looked for purchase as well as installing additional shuttle stops in the park. So again part of our vision for Washington park is to connect the entire park through an interpark shuttle service and to leverage the parking revenues that we collect and look at other funding sources as well. This is one opportunity where we could use matching funding from parking revenues to leverage this grant application for parking shuttles and shuttle stops.

Fritz: Thanks, and my other question is regarding the whole application. What's the purpose of the state transportation improvements fund?

Dan Bower: I'm dan bower. I administer the active transportation group at pbob. This is a new grant opportunity where the state of Oregon has consolidated all their transportation grants into one pool, called enhance. They've put the rest of their funding into another bucket called "fix it," and those are safety dollars, money for fixing projects. That's not a competitive grant pool. The enhanced pool is. It combines everything from congestion to mitigation, bike paths, safe routes to school, road modernization, transportation enhancements and trails into one project, one grant application. So you'll see our portfolio project, bike-ped projects, road safety, freight safety projects as well as trails projects through parks. I think we ended up applying for 14 different projects for 2016 to 2018.

Fritz: How did you prioritize them and how did the shuttle purchase get on the list?

Dan Bower: We've been working with parks since the get-go. This was announced in september. We held joint meetings with our bicycle and pedestrian and freight advisory committees. We also work with parks and metro and trimet and -- trimet and others to make sure they ran their projects through our advisory committees.

Fritz: This is the only trimet project on here?

Bower: No. This is a city project from Portland parks. Trimet has two separate applications that are not on this list, because they're trimet applications.

Fritz: But the advisory committee sees the entire list, and coalitions have input.

Bower: Yes.

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Adams: We need testimony? Karla, please call the vote.

Leonard: Aye.

Fritz: I appreciate the clarification. Aye.

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

Adams: Aye. We're in recess till 2:00 p.m.

At 12:16 p.m., Council recessed.

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Closed Caption File of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

NOVEMBER 28, 2012 2:00 PM

Adams: City council will come to order. It is wednesday, 2:00 p.m., november 28, 2012. We're in our afternoon session. Good afternoon Karla.

Moore: Good afternoon.

Adams: Could you please call the roll. [roll call]

Adams: A quorum is present. We shall proceed. Please read the title for time certain nonemergency ordinance 1354.

Item 1354.

Adams: Commissioner nick Fish.

Fish: Thank you. The way we structured this, the first half hour we'll deal with residual issues around Washington park parking. [laughter] then we'll shift to housing --

Adams: Wishful thinking. Only a half hour?

Fish: I heard from a number of you we didn't go deep enough.

Leonard: I may use my last day of vacation. I'm outta here.

Fish: I'd like to invite director tracy manning, omf director jack graham and karen williams to come forward. I have a brief introductory statement. As mayor and colleagues as you know, in july of 2010, the merger of the housing functions of the Portland development commission and the former bureau of housing and community Development launched -- were merged and created the new Portland housing bureau. As part of that birth, pdc ease \$300 million loan portfolio representing more than two decades of public investments in the city's inventory of affordable housing, was formally transferred to the Portland housing bureau in december of 2011. Now, pdc's and the city's housing investments over the last 20 years often filled the financing gaps that nonprofit developers needed to build affordable homes. Our partners are contractually obligated to provide 60 years of affordable rents in exchange for the public investment that we make in the bricks and sticks. Most of these investments historically were made with either tax increment financing dollars, or federal dollars. About two-thirds tif and one-third federal funds. These weren't typical investments like a home mortgage, or a business loan. Some were grants, some were loans, but the general understanding was that the return on the investment was and is the guaranteed affordability. Homes for older adults, people with disabilities, people pulling themselves out of homelessness, and hard working parents struggling to provide a better life for their children. The investments we have made over the last quarter century have produced an enormous public benefit. Which we can all be very proud of. More than 8,000 affordable homes For individuals and families priced out of the private market. But the public benefit of these investments goes well beyond just affordable homes. And includes healthy families, stronger, more balanced and vibrant neighborhoods, a welcoming downtown, and frankly, an improved quality of life for all. Over the years, this council has supported our important work in a number of ways. By authorizing the city's participation in the hud section 108 loan pool, by protecting the community's safety net, by creating and reaffirming your commitment to the 30% set aside for affordable housing. And by reforming a tax abatement program to provide better value to taxpayers and more strategic investments. Today we're asking for a new tool. One that will allow us to more nimbly manage -- commissioner Leonard? Nimbly manage our portfolio. The public benefit is clear. Stronger nonprofit partners, and guaranteed

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long-term affordability for families and individuals across our great city that are unable to make market rate payments. I'm going to turn over the presentation to Traci Manning and our chief administrative officer Jack Graham, and then we'll introduce a special guest.

Traci Manning: Thank you for your time. We'll try to be direct. It's a little wonky. So as Commissioner Fish referenced, the bureau since our merger has been reviewing our asset management practices systems, and particularly our housing portfolio and the underlying loans that support it. We manage 1800 individual loans on about 8,000 rental units throughout the city for low-income individuals and families. And so at a time of declining resources, preserving existing housing we've brought the council time and again because we think it's the most effective dollar that we can spend. And like many bureaus, we've been cutting staff. We cut staff by 30% since we began as a new organization, but at the same time we've chosen to invest in our asset management staff and systems in order to strengthen the oversight and focus on preservation. Affordable housing is actually a relatively young industry, and we've learned a lot over the last few decades about what it takes to operate and maintain those assets over the long term. We've worked directly with our borrowers in a really positive and dynamic way to review how their buildings and portfolios are performing financially as well as to meet their missions in an ongoing way. Overall, the portfolio's performing very well. It's providing safe homes to people who would otherwise be living on the streets, and giving families a stable place to grow from. In some cases, we've identified when affordable housing needs a different repayment structure in order to sufficiently invest and maintain the asset or provide staffing to help the residents be successful. We use the financial tools approved by council for this restructuring. City council approved the specific investment vehicles PHB uses when the bureau was created. Then each year, council approves our budget for these investments through the regular budget process. During the course of the year, those individual investments are reviewed by the housing investment committee, which is made up of staff from the Portland housing bureau, office of management and finance, PDC, and the city attorney's office, and they make a recommendation to me as bureau director. Per council direction, those individual investments have up to \$2 million are approved by the bureau director up to 3 million by the commissioner in charge, and investments over \$3 million, those that involve the disposition of city-owned land, or any that are outside of our approved investment vehicles come before you to city council, and those are the ones you see. So right now all of our city -- council-approved tools are loans of various types. What we've learned about the portfolio and best practices for maintaining it, there are a few times when the most effective tool would be to strategically write down a portion of the city held debt, effectively as if the money had been originally been granted to the project. Or to the nonprofit. So what we propose would be to use this tool at the minimum level necessary to lower the debt load on the building, to sufficiently meet the mission and continue to provide homes for low-income citizens. This tool will allow us to maintain affordable housing without investing additional city cash. Which is obviously a premium. So in the ordinance before you, we're seeking approval for a write-down authority with the following limits. Up to \$250,000 for the PHB director, 250-1 million for the PHB director and the OMF chief administrative officer, or their designee. \$1 million-2 million would be both the CAO, PHB director and the commissioner in charge and 2 million or more would come to city council. OMF and PHB do not currently have this option approved as an investment tool, though it was once used when housing investment was part of PDC. We've done a year-long review as part of our asset management review with OMF, and it indicates this tool would allow for strategic reinvestment that will help us maintain our assets and guarantee the continued public benefit without negatively impacting the city's financial position. And to say a little bit more about that, I want to both turn over to and thank chief administrative officer Jack Graham, who has been incredibly helpful in helping us analyze this situation.

Jack Graham: Thank you. Jack Graham, chief administrative officer. My staff and I have been working with the housing bureau on this proposal, and I'm extremely pleased to be here today in

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support of it. OMF feels this tool is necessary to help ensure the housing bureau is able to manage its housing portfolio properly. This proposal builds in checks and balances necessary to protect the city's investment in affordable housing buildings and the value that it will continue to provide for the community. This tool is the necessary and a normal function of any lending institution and we believe that a level of authority, the approval level of authorities which Tracy has outlined are at the level to ensure accountability. Approval of this tool will have a negligible effect on the city's balance sheet. I along with OMF team that has been working with the housing bureau endorses this request. And we think it's the right thing to do to continue to have affordable housing in the city of Portland. So with that I'm going to turn it back over to Commissioner Fish.

Fish: Thank you, Jack. It's now my pleasure to introduce Karen Williams, who I understand Karen's sister is visiting from Sioux City, Iowa. Welcome. To better understand how this portfolio was assembled and managed, we asked Karen Williams to join us today. Karen as we all know, has extensive experience in both the public and private sectors for our purposes, what's really neat is that she served as general council for the Portland Development Commission, served on the loan committee, and today works as a financial and legal advisor for many community development organizations. She's here to help us fill in some of the gaps in our historical understanding of what was done then and why the tool we seek today was not only forecast, but is a prudent continuation of the authority that was once granted to PDC and now the housing bureau. Thanks for joining us.

Karen Williams: My pleasure, Commissioner. Thank you for the invitation. Good afternoon members of council, thank you for your time and attention today. I was personally involved in making many of these early loans at the Portland Development Commission, and in structuring and working on the financing that is now actually makes up approximately half of this portfolio. When we were making these early loans at PDC, this affordable housing industry was really an emerging industry was an emerging industry. We knew at the time we didn't have enough information about the operating maintenance and capital replacement costs of these projects, and how that would compare to the kinds of costs experienced in -- by investment market rate and above owners of multifamily rental properties. We knew we didn't particularly didn't understand what the capital replacement schedule would be or how expensive that would be, what the deterioration and replacement rates on these buildings would be. So those are the costs necessary to preserve the building at full utilization, as Tracy and Jack were discussing. We made the decision at the time not to provide for long-term replacement reserves because if we did, we would have been leaving capital idle in these projects, putting a great deal more public funds into them at the time that they were built, and leaving that capital to sit for years until it was needed for new roofs, HVAC systems, the kinds of things we think of as capital replacement. We also made frankly some guesses about what the operating costs and staffing needs and other kinds of draws on cash flow for these projects would be. At the time we had such a high need for affordable housing, and of course few and precious public dollars to invest in it, that we knew that if we put these funds into these projects and left them idle, we would be compromising our ability to use them to build housing at the time. So we set up some of these transactions as recoverable grants, some as loans, but as Tracy so clearly pointed out, the real value of the money in the projects was to get the 60-year affordability that was desired by the city and the stability in the affordable housing industry. In the early days we knew we weren't providing for all the future costs of capital maintenance and repairs, but we also knew that there wasn't enough operating history in this industry to know how to do that accurately and frankly we didn't want to sequester dollars that were needed to build the housing to be held for some long-term future need. So we knew that some of these issues would come back in 15 to 20 years, and that we need to address the issue. We knew the affordable housing industry would normalize, find its most efficient operating structure, and that the portfolio would likely require some adjustments based on that normalized operating history over time. So doing this portfolio clean-up, including conversions to recoverable grants, will ultimately strengthen the housing

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delivery system in Portland because it results in financial statements for the providers that more accurately reflect their true cash and asset position, and their relationship with the city, one of their key lenders. As Jack mentioned, the ability to write down debt is a normal tool for lenders as part of their portfolio and asset management. And I'm pleased now looking back on the history to see the city taking up this right sizing and ability to respond to situations where correcting the portfolio is the right thing to do. Thank you.

Fish: Thank you very much.

Leonard: I have a question. So I appreciate that presentation in particular the historical perspective you gave as one of the partners and originating some of these loans. So is it fair for the public to conclude based on what we've heard here today that when we were making these loans originally, we weren't really sure what the playing field would look like, what the operating expenses would be, and what our real goal was was not so much to make a loan to seek repayment, but provide housing for people who otherwise couldn't afford housing, and at this point what we're recognizing is some of those payments are better used repayments would be better used to improve the infrastructure maintenance that of course has to be done on buildings and structures the people live in. So we've made a judgment that it's a better use of those dollars to reinvest them into the housing units to keep them a housing -- keep them in housing and also do the improvements necessary to sustain that program.

Williams: Yes. I think that's an eloquent restatement of exactly the point and a nice clear understanding of it.

Leonard: Thank you.

Fish: If I could piggyback off that, I've learned a lot through this process. My colleagues will remember in some of the major investments in Tiff we've made, we've done them as grant money. Where we've put the money in. But our leverage in terms of ensuring long-term affordability was in a separate agreement. The difference 20 years ago is that in addition to all the things that have been identified, loans gave us an additional tool to ensure compliance with our covenant. In some cases, we did make loans. Let's be clear. We're not recharacterizing things now as not loans that were loans. There were some that were perhaps clearly loans. But when you're looking at a 60-year horizon, you're saying, how can we best ensure that we get compliance with our long-term affordability goals, a loan is a pretty good inducement because it's a lien on the property, and it gets people's attention. More recently we've learned we can also have the appropriate kinds of characteristics through grants. Where we don't have to structure as a loan, we put money in, and in fact if I think I'm not -- if I'm not mistaken, the 30-odd -- 30 million we put into Bud Clark Commons was a grant and not a loan. In our discussions we've never had people from the public credit us from using one over the other. What's consistent, make darn sure we get the public benefit. Because people understood this is different than investing in a business, investing in a private home, making an investment per se. The investment was in a public asset. Really in some ways no different than investing in streets and sidewalks and other things. It's just structured differently. But the public benefit was the affordability. And we've gotten more sophisticated in how to structure a deal so it doesn't have to be debt in order to make sure we get the faithful commitment to 60 years. I appreciate the way you framed that, Randy.

Fritz: My understanding is this is a tool of last resort and there's various other processes that owners can go through before this. Correct?

Manning: Yeah. I think -- I wouldn't always characterize it as last resort. I think there's opportunity at times for additional leverage, so a nonprofit borrower, if we use this tool, could go out and bring private dollars to the building, because you create some collateral there that would actually be invested in that public benefit and so in that case I wouldn't necessarily call it last resort. But we would weigh what the greatest public benefit is in most cases we would use other kinds of restructuring that would leave the full amount as a lien against the building.

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Fish: Let me add one comment on that. I think you touched on a really important point. Sometimes the perception is that the reason you need this tool is that someone's in distress and needs to be in effect the problem needs to be addressed and fixed. As Karen noted, this could be a tool that's applied to a high-performing partner whose balance sheet has just got too much debt in it, and is not able currently with historically low interest rates to go to the private market to refinance the way you and I might by refinancing our homes to free up some money to fix the roof. They may not be able to do that unless we take a little debt off the balance sheet. But what we'll get, we'll bring private debt in and new capital to be used to fix the roof, make the building, better for the long term, without our partner coming to the city council and asking for an appropriation. And that's the magic of this approach.

Fritz: How does -- this is a clear objective and there's a transparent and accountable process for going through this. Correct?

Manning: Yes. So the process is the same as our original debt, so it goes -- it would -- all of our borrowers report on all of their properties to us every year operating revenue and expenses, against the original pro forma that was included with the loan. So based on that annual reporting, either the borrower or phb could initiate the need for a restructure, staff would review the annual statements against the original agreement, make a recommendation to the housing investment committee, which includes the omf staff, pdc staff, city attorney, our staff, and then based on Hicks review, make a recommendation to me and then we go through the waterfall of approvals based on the size of the approval, the size of the requested adjustment who had the approval. And then annually we'll report back to council on all of the activity against those actions.

Fritz: and to your commission as well presumably?

Manning: Oh, yeah. We report to the commissioner with great frequency.

Fritz: To the citizen advisory committee -- commission.

Manning: Yeah. We are overseen by the Portland housing advisory commission. Yes.

Fritz: And they would get the report before it comes to council, presumably?

Manning: Simultaneously, yeah.

Fritz: One final question, what do we have in place in our current process for approving loans that takes into account this issue of maintenance and ongoing expenses of new property?

Manning: I'm sorry, can you repeat that?

Fritz: The new loan, what commissioner Fish said, sometimes we choose to do a grant, making it very clear that then the ownership responsibility and the ongoing maintenance, that in the situation where we would choose to give a loan to a housing provider, what's in place to avoid the deferred maintenance building up and --

Fish: Can I word it slightly differently. What have you as an organization learned previously that you're putting into practice today with your loans going forward?

Fritz: That's a nice reframing. Thank you.

Manning: Oh, we've learned a lot. One of the great things about our system, one of the great benefits is also one of the challenges which is we have a lot of borrowers that provide a lot of different products to the community, people that house people coming right out of the street, right out of treatment, right out of a medical facility. And people that are housing large families that are perhaps saving for homeownership. So what we've developed, we work with our private lending partners, quite extensively with our borrowers, with other affordable housing industries throughout the country, and developed what we consider to be ranges of operating expenses that make sense for the product that the borrower has agreed to deliver. And so using those ranges in our current underwriting, the new loans we've developed guidelines that will allow the borrower to have a healthy building going forward, we try to allow for some contingencies, so that if something happens, some last decade it was utility prices that went up more than projection, we've got some cushion to manage that. We can't manage for every contingency, and as Karen did a good job of

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pointing out, it would probably not be a good idea to try to put a bunch of cash away up front, but I believe we have come a very long way in learning what it takes.

Fritz: The example was given of replacing the roof every 20 years. Is that now included in this calculation up front?

Manning: It is. Thank you for highlighting a much more succinctly what I should have said up front. Yes. We have a line item for replacement reserves which are designed specifically to pay for capital items like roofs, like furnaces that need replacing over a longer term.

Fritz: Thank you.

Adams: Is anyone signed up to testify? Thank you all very much. Appreciate it.

Moore: No one else signed up.

Adams: Does anyone wish to testify that did not sign up?

Fish: Since this goes to a second reading may I make an observation before we go? A lot of the people that are here won't be joining us next week. I want to take this moment to thank jack, traci, karen, for the time and effort they put into helping us work this through. In particular I want to thank jack and his team at omf. Rich goward, others, this is -- we've only had this portfolio since 2011, and there is an enormous amount of complexity when you transfer over a portfolio over \$300 million nearly 2,000 loans, and we're trying to sync it up. I really appreciate the professionalism and the teamwork, and frankly the tough questions and oversight to make sure we're on the right track. So thank you. Karen, who joined the team to give us a historical perspective and give us a primer on what people are thinking 20 years ago in particular, thank you. I also want to just acknowledge a number of other people. Jacob fox who is here who played a leadership role, deputy director, rich goward, amy edwards, our super consultant who is way down in the weeds looking at all of these portfolio issues, and particularly in connection with the computer system that we will have fully up and online shortly. Javier mena who is here, who to me represents in his team this commitment, renewed commitment the bureau has made to asset management. The reality is we're going to have fewer dollars for new development. For better or worse. And it didn't turn exclusively on who the next president is going to be. There's just fewer dollars in the pipeline at every level of government. So as we shift from being more focused on development to preservation and asset management, our organization has shifted. And we're putting more resource noose being the best possible stewards of what we have. And that is consistent with what the auditor has said in two audits. 8 cross the board, urging us to focus on being the best stewards of our existing assets. So I want to thank the whole team, I want to particularly thank sonia, raise your hand, will you? She's an unsung hero on this and has worked tirelessly. Danielle, jamie, the whole team. Thank you all for going the extra mile, and to my colleagues, assuming we have your support next week, this is another tool. This is not a game-changer. But this is another tool, and you have given us a variety of tools to be good custodians and stewards of this portfolio. We think this is an additional tool which will help us create a sustainable portfolio for the next 50 years, and most importantly will allow us to do so without having to come seek general fund or direct support. Banks, all kinds of institutions are doing. This we want the same authority, and following close consultation with my colleagues, I think we hit the right sweet spot in terms of what you're comfortable with in allocating discretion as tracy says, up the waterfall, and then ultimately the kinds of accountability you'd like to see annually so that we can see how this tool was use and what the public benefit was. So I just want to thank this terrific team, because this is a 30-minute presentation, but a lot of time went into get can this right, so thank you all very much.

Adams: Thank you for the presentation. [gavel pounded] council considered further next week. Please read two companion items, a report contained in item 1355, and an emergency ordinance contained in 1356.

Items 1355 and 1356.

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Adams: This is a recommendation coming to us from the planning and sustainability commission. Title 13 is the regional urban Growth management functional plan, also titled nature in the neighborhoods, that establishes minimum requirements to preserve, conserve, and restore regionally significant riparian corridors and wildlife habitat. It was adopted by metro in 2005. In terms of our compliance, metro granted the city of Portland two extensions to 2009 to the compliance deadlines. The extensions provided time for the city to progress on key projects that would update policies and protections for title 13 habitat conservation areas in Portland. The last extended -- extension ended June 30, 2012. So we're going to hear today the recommendations from planning and sustainability commission, and consider them for action. Mr. Zehnder.

Joe Zehnder: Good afternoon, I'm Joe Zehnder, in title 13 compliance is an important milestone for the city. Portland collaborated closely with metro and other jurisdictions throughout the development of title 13, and as a result, it actually mirrors Portland's approaches to conserve and enhance our natural resources. Today with our bureau of partners we're bringing to you a holistic package that clearly meets and we believe exceeds metro's requirements for natural resource protection. The planning and sustainability commission agreed and voted unanimously to endorse this compliance package. What we were asking is that in addition to submittal of the package, that the city council authorize voluntary intergovernmental agreement between the city and metro. This intergovernmental agreement is to send a clear message that while Portland is in compliance with title 13 to work on natural resources and sustaining watershed health is not done, it contains the programs and projects that the city knows it's going to undertake or wishes to continue to undertake in that realm. The IGA also recognizes all of that work is subject to city council direction and future budget decisions. But it's our statement of intent in regards to continuing to work on title 13. So today for our presentation Roberta Jortner, the lead planner, will lead you through the contents of what our compliance report includes, and then we have brief comments from the director of bureau of environmental services, Dean Marriot, and the director of parks and recreation, Mike Abbate, on their parts of the IGA, also comments by Mike Houck from planning and sustainability commission, and Tim O'Brien from metro.

Roberta Jortner: Good afternoon. Today's presentation will provide a brief orientation to title 13 and the summary of the compliance package. We'll go over the IGA and --

Adams: Can you move the Mike a little closer?

Jortner: Sure. Is that good?

Adams: I think so. Even better.

Jortner: As the mayor noted, title 13 was adopted in 2005 after extensive public review and analysis by metro. And a number of other parties. The main goal is to provide a contiguous integrated corridor of riparian areas and protect water quality. The habitat conservation areas are waterways, floodplains, wetlands and vegetative areas and they provide multiple benefits. They reduce hazard risks, and increase resiliency to climate change, they cool and clean our air and water and provide important habitat for people as well as fish and wildlife. This map shows the 19,000 or so acres of title 13 habitat conservation areas in Portland. Cities and counties can comply using regular rations, nonregulatory programs, and area specific tools. Title 13 prioritizes avoiding impact on these resources first, and mitigating unavoidable impacts. Title 13 also balances goals for environmental quality and economic development by establishing more stringent requirements for the highest value resource areas and more moderate areas for resource areas like prime industrial land. As the mayor said, the city asked for more time, and I want to recognize during these extension periods this council adopted a number of projects that significantly expanded and enriched the city's environmental protections and will also enhance the urban forest. And the city is also provided strategic policy direction through the Portland plan for Improving watershed health and achieving goals, setting the stage for the comprehensive plan update. And the city also made great progress on planning for West Hayden Island and the central and north areas of the Willamette

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river and as we know those will continue into the future. So now we're ready to ask metro to find Portland in compliance with title 13 based on a mix of existing programs, no new regulations are proposed as part of this package.

Adams: Is that a local bird?

Jortner: That is a kill deer in the columbia slough watershed.

Adams: It's beautiful. See you later, commissioner houck.

Jortner: They also recently found kill deer, nesting kill deer in the reservoir at powell butte, the new reservoir.

Leonard: In or on?

Jortner: They actually did modify their project to --

Adams: Are they endangered?

Jortner: No, they're not. So there's no definition for substantial compliances, so metro looks at each submittal and decides whether it's adequate. So each local program is unique. This request applies to lands within the city currently and specified portions of Multnomah county, it does not apply to west hayden island. Is the the city annexes west hayden island the city will submit a separate request later. Now a quick summary of the proposal. A key element of the package is a new and improved natural resources inventory that council adopted last month to help for the comprehensive plan update. This inventory builds on metro's work and incorporates more current data, scientific studies, field work and technical review. The city's environmental greenway scenic and pleasant valley overlay zones provide foundation for this compliance request and are administered by the bureau of developmental services and Rachael whiteside is also here. These overlay zones meet basic title 13 requirements to limit disturbance on natural resources and require mitigation and/or resource enhancement. Like title 13 these overlay zones balance goals for the environment and development and they vary in stringency depending on where you are. Here's the map of title 13 habitat conservation areas in Portland, and this map, the pink areas show the overlay zones combined, they apply to over 90% of the habitat conservation areas, and an additional almost 3,000 areas of natural resources outside the title 13 hca's including upland resource areas that title 13 doesn't address. Most of the resources not currently within the overlay zone do have some protections through other city or state regulations or in public ownership and are not at risk of development. Other city zoning tools support title 13 by addressing natural resources and hazards on land division sites applying area specific resource protections and plan districts and establishing natural resource management plans for valuable areas like forest park, smith and bybee wetlands and other areas in the columbia slough. The compliance package includes nonzoning regulations, including stormwater, drainage reserve, erosion control, and flood plain rules that apply to all new development and several pollution enforcement programs. And the council recently updated the city's invasive plant rules and overhauled tree codes. Portland meets title 13, habitat friendly development requirements by encouraging the use of pervious payment, shared driveway and narrower streets to limit impervious area low impact stream crossings and road undercrossings for wildlife passes and bird friendly building design and other practices as well. Nonregulatory programs are featured in the compliance package too. These programs are administered largely by the bureaus of environmental services and parks and recreation. The city's willing land acquisition, natural area management and watershed revegetation programs protect public health and safety, address regulatory requirements and are actively reserving and maintaining and restoring thousands of acres of city managed and privately owned land. And this photo at the lower portion of the screen is of the recent purchase at riverview cemetery. This photo is the same site after one season of treatment for removal of english ivy and other invasive plants.

Fritz: Removal with chemicals?

Jortner: It's a combination of mechanical means and strategic application of herbicides the typical approach. Using green infrastructure approaches and most currently through the grey to green

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initiative, the city is weaving nature into the built environment by planting trees, installing green street facilities and providing incentives to plant trees and install ecoroofs. The city is working with diverse partners on innovative restoration projects and infrastructure projects like labor to the river.

The city provides grants training and education to support local watershed councils, neighborhood associations, residents and businesses, and these partnerships generate thousands of volunteer hours a year to help improve watershed conditions. Finally the city's actively monitoring watershed conditions using a new approach that will allow to us track trends, prioritize investment and provide the best chances for success. As joe noted, while title 13 is an important accomplishment, the city has a ways to go to meet its watershed health goals and both the city and metro face a number of challenging issues. To confirm our intent to continue watershed related efforts and collaboration, the city and metro proposed to enter into a voluntary agreement. This is also strongly supported by the planning and sustainability commission and other stakeholders that testified at that hearing. The idea would go into effect when metro finds the city in compliance with title 13, hopefully next month, and will last for 10 years. The city will periodically report on Progress. Specifically the idea affirms Portland's commitment to update the comprehensive plan and willamette greenway plan, decide on whether or not to annex west hayden island and pursue a holistic planning effort for the Columbia corridor. The iga confirms the city's intent to seek funding for new tree codes and continue ongoing watershed restoration programs we've just gone over. The iga highlights opportunities for collaboration between the city and metro, including setting priorities for future natural area acquisition and maintenance, identifying ecologically sensitive industrial design opportunities, determining strategies to meet goals for jobs, and the environment, and strategizing on how to address emerging federal rules to meet endangered species act requirements in the floodplain. The planning and sustainability commission unanimously recommended council accept this report. And also we'd like the council to authorize staff to make minor edits and updates, including a few typos and -- pieces when we put the report together for metro. And the recommendation is also to approve the ordinance authorizing the planning and sustainability director to submit the request to metro, and the directors of planning and sustainability, environmental services and parks to sign the agreement on behalf of the city. We've gotten two written testimony so far, one from bonnie mcknight supporting the compliance request, and iga with particular emphasis on moving forward with the columbia corridor planning effort and the tree project. And just a few minutes ago I handed to Karla an email from linda robinson to the council also in support of the compliance proposal and the iga to confirm ongoing commitment to our watersheds.

Zehnder: With that we'll turn it over to our invited speakers.

Adams: We have three people signed up or is that in addition -- invited speakers first.

Fish: I've asked director Abbate to answer any questions still left from this morning on Washington park parking.

Adams: I have a list of like 50. 52 questions. But i'll save them later. Who would like to go first?

Dean Marriott: Good afternoon mayor Adams, members of the council, dean marriot environmental services director. First of all let me say it's a pleasure for us to have collaborated so closely with planning, parks, and the other bureaus. This is a good example of how well the bureaus can work together. As you know, environmental services is focused on protecting and restoring watershed health, recognizing that watersheds are critical to providing clean water and fantastic habitat to the people of Portland. Our watershed management plan that was adopted by the city council and our other watershed health efforts align very well with title 13. Natural resources such as streams, wetlands, forests, are valuable for their habitat functions as well as providing a sound and healthy ecosystem. But in many parts of Portland, our streams are actually part of our city's infrastructure. They manage storm water, they take storm water from places that have -- there's the -- the storm water has no other place to go. We depend on these resources to provide

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clean water for people and wildlife and to protect our endangered species and to avoid flooding and landslide impacts where the storm -- when the storm water has no other place to go. Roberta mentioned tabor to the river, this is something I know the council is very familiar with. We are committed to using green infrastructure where it makes sense, and is cost effective, and one of the best examples we have is right here in southeast. Across the river in southeast Portland, where our efforts to provide storm water and sewer service to the neighborhoods around mount tabor, doing it in a green way is saving the ratepayers about \$60 million over the life of that project. So we've shown that it's good for the environment and it's good for our pocketbook as well. We hope to be able to continue these kinds of investments going forward into the future, so we look forward to that. And one of the important things for us is watersheds don't necessarily respect political jurisdictions, so as an example in johnson creek, about 60% of Johnson creek is outside of Portland, and -- but what goes on outside of Portland obviously in that watershed affects our citizens and ratepayers, so metro doing this on a regional basis is very helpful to the people of Portland. Thank you.

Adams: Director abbate.

Mike Abbate: Mike abbate, parks and rec is pleased to have played several rolls in title 13 compliance. Nature and neighborhoods is a key part of our core mission, healthy parks, healthy Portland, starts with a healthy landscape. We manage over 8,000 acres of natural areas for habitat and watershed health while providing access to nature for thousands if not millions of Portland residents and visitors. In the past year, parks city nature staff has worked with volunteers who provided over 56,000 hours of stewardship effort in our park natural areas. Enhancing and restoring city's forests and wetlands. I think it's significant to recognize our citizens who have seriously adopted this as part of their ethic of living in the city. Our protect the best crew in partnership with bes has treated over 3,000 acres of invasive plants within parks natural areas since 2007 time prove wildlife habitat and watershed health. In fiscal year 2013, current one, protect the best crew will treat 300 new acres and retreat about 650. We've been a partner with metro allocating over 50% of the local Share pass-through dollars from the 2006 natural areas bond measure to the acquisition of natural areas within the city, and we've acquired over 300 acres, 300 acres of additional natural areas with those funds. Portland parks also has the responsibility for our city's urban forests, and we're working with partner agencies and community organizations to attain the goals laid out in the management plan of 2004, urban forest action plan of 2008, and the 2012 Portland plan. A recent study showed that unlike many other cities, Portland actually has increased its tree canopy in the last 10 years, especially in residential and commercial zones. And we're currently preparing for implementation of the citywide tree project and a package of code and process revisions to further protect the urban forest. So as dean mentioned, we appreciate that the natural world doesn't respect political boundaries, and so partnerships with our regional partners are key to the succession of this, and we're pleased to play that role. So i'm pleased to sign this agreement indicating our intent to continue these programs on behalf of parks and rec.

Saltzman: Thank you mike.

Mike Houck: My name is mike houck, I serve on the planning and sustainability commission. I was asked to represent the commission at this hearing, normally our chair andre baugh would be here. I think I was asked primarily to provide a little historical and contextual perspective in that 32 years ago I started working on goal five inventories in the Region in Washington county, and eventually the city of Portland. When I started that work I was told there was no place for nature in the city, that the land use planning program was to protect nature outside the ugb and everything else was up for grabs. Over the intervening 30 years we've come to recognize the management of natural resources is essential to quality of life, maintaining biodiversity, ecosystem health and a healthy economy. And i'm proud to say Portland has taken a leadership role in that effort and today's hearing is one more step regarding Portland's leadership in the metropolitan region. In the

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late 1980s a number of us went to metro realizing that we were getting very uneasy -- uneven protection of natural areas across the metropolitan region, and out of that effort in the late 80s came two initiatives, one was the metropolitan green spaces initiative, which resulted in the passage of two bond measures which raised \$363 million, and has resulted along with the city of Portland and metro and other local park providers adding 16,000 acres of natural areas to the public land base. The other initiative was the regulatory approach which was title three, which was adopted in 1998 which address water quality and hazard lands, and in 2005 metro passed title 13, statewide -- which addresses Fish and wildlife habitat statewide goal five. Seven years later we're here Asking that you approve the city's application to metro indicating compliance of title 13. You do have a letter of transmittal conveyance from the planning and sustainability commission. The only thing I'll reference in this letter, I won't -- you've got a copy of it, is that we considered the iga as key to meeting compliance and title 13. And as you heard earlier, I think joe mentioned title 13 established minimum environmental standards. And it was anticipated that in addition to those minimal regulatory standards, that there would be a plethora of other regulatory and nonregulatory approaches that would result in better protection, restoration, and management. Of the city and the region's natural resources. I do want to point out one thing. The planning and sustainability commission has made it clear that we're hopeful we can align the budget process with the Portland plan achieving objectives of the Portland plan, and we feel the similarly with this objective, with this package. Under city obligations it does say notwithstanding any other provision of this agreement, the city's ability to implement projects and programs outlined in such and one is contingent on funding availability and the city council's appropriation of funds. So the planning sustainability commission is definitely interested in you taking a look at this iga and the other programs that need to be implemented and thinking in terms of the budget process. I'll close by saying that under the joint obligations between metro and the city, and its true that the city continues to play a huge leadership role in this region with regard to natural resources, that metro and the city have agreed to address green infrastructure and ecosystem services in local and regional decision making, integrating parks, trails and natural areas and habitat friendly development design and practices and land use planning, improve watershed functions, and mitigate and adapt to climate change. And I'll simply say that while the city has taken a huge role in getting this to compliance with title 13, bureau of environmental services in particular Portland parks and recreation in particular have both also contributed at the regional level in developing a regional conservation strategy, and I brought copies of the executive summary for you today. This is another huge monumental step I think in terms of both addressing the need to protect, restore, and manage natural areas in the city, but also region wide. And the city can take huge pride in the fact that it was a contribution of city staff that resulted in the production of these documents. There's actually two full documents available online at the intertwine alliance.org And we appreciate the city's leadership in the regional level as well as at the city of Portland.

Fritz: Was the discussion at the planning sustainability commission about making the iga more specific, particularly with providing protection for the 5-10% unprotected lands?

Houck: Well, we spent quite a bit of time going over iga details, and actually did recommend some additions to the iga. So I feel comfortable that we've addressed those issues.

Fritz: So the references to the comprehensive plan and then the specifics in the comprehensive plan work plan, that's incorporated by reference in this iga?

Houck: Correct. Yes.

Fritz: So that would also cover bonnie mcknight's concern about columbia corridor --

Houck: Correct. That was brought up at the planning and sustainability commission hearing.

Fritz: My understanding of what's in the Portland plan, which you know far better from being on the commission, is that the time lines are not necessarily set in stone either. For instance the

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columbia corridor plan says after the willamette greenway plan is completed, that could be changed as part of the comprehensive plan work.

Houck: Correct.

Fritz: Thank you.

Houck: In fact, it's stated explicitly that priorities may change over time as well. So there's definitely flexibility. As you know, the iga is voluntary, the important thing was that it did point out those areas in which the city would continue to address natural resource issues.

Fritz: Thank you.

Adams: Welcome.

Tim O'Brien: Good afternoon. Tim O'Brien, metro planning department. Northeast grand avenue, 97232. I just have a few additional comments to highlight some of the points Roberta made in her presentation as well as the testimony from the other bureaus. As Roberta noted we've been working on this for the last few years, and I'm pleased we finally made it to this stage. As noted previously, the two compliance extensions the city received allowed staff to complete a number of projects that bolster the city's habitat protection program, and gets us to our current proposal. Which we believe is in substantial compliance with title 13. Compliance with title 13 is not one size fits all process. We acknowledge individual cities or counties are in different situations, and we work with them to try to on an individual basis to come up with a protection level program that meets their needs, and meets the intent of title 13. Compliance is not a numbers game or a strict quantitative analysis. We look at the overall programs, jurisdiction implements to meet the intent of title 13, when the metro council adopted title 13, it specifically noted that comprehensive approach would include voluntary incentive-based, educational, and regulatory elements. The determination of substantial compliance is made at the metro staff level and is not go before metro council. One staff -- once staff makes their determination the letter is sent to the city indicating you are in compliance. In addition metro does complete a compliance report by march 1st of each year that provides the status or compliance of all the titles of the functional plan for each jurisdiction in the region. The city's protection program is multifaceted and covers a wide range of actions and programs from overlay zones to plan districts, development regulations, restoration acquisition, green streets, and education stewardship programs. And I really feel this is the kind of program the metro council envisioned when they created these programs, as many of these -- the number of diverse programs and projects the city has put into action by far the most comprehensive of any jurisdiction in the region. And the continued collaboration between the different bureaus as you've noted here, as you've heard here, is important to the overall success of this city's watershed health program. And while we can acknowledge all the great work that has been completed metro staff is looking forward to working closely with the city staff on the willamette Greenway plan and the comprehensive plan update. In order to meet the conservation and protection restoration goals of title 13, long-term efforts and partnerships are needed to sustain healthy watersheds in the region. The intergovernmental agreements between metro and the city that is part of the packet before you demonstrates the types of efforts that are needed to support watershed health. Through the continuation of natural resource protection and enhancement efforts at the local level and collaboration on the issues of regional concern as has been pointed out by other members up here. In closing I would urge you to support the city's request for metro determination substantial compliance with title 13. Thank you.

Adams: Thank you very much. Appreciate it. Thank you. Anybody else wishes to -- we have three signed up? Ok.

Adams: Ms. Bauer, would you like to begin?

Linda Bauer: Ok. I submitted to you a site plan for a property that is -- oh, Linda Bauer, citizen. This property is on 122nd and Foster, and that location requires that only 50% of the lot be covered by impervious surfaces. As you can tell from the site plan, a whole lot more than 50% is covered. And it's not just this property. It's the property next to it, and it's the property next to that. On page

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2, commissioner Saltzman's office refers to this site plan as a violation is quite egregious. And I totally agree with them. Sorry this is so small. I broke my printer this morning. The site is a total area of 18,500 feet, but staff forgot to subtract the five-foot right of way dedication that was required. They said that they had 9,500 square feet of landscaping, and if you add that to the total of 19 thousand -- the lot is only 18 thousand square feet, so that would mean there would be almost half a lot would be landscaped according to their figures. And that is not the case. As you can tell. Most of it is buildings. I think title 13 compliance is more than just writing good rules. It is also enforcing those rules for the good of the watershed. Thank you.

Adams: Thank you. Mr. Frye.

Peter Finley Fry: Peter fry. I'm going to accomplish two things in my three minutes. I'm here on behalf of gunderson, gunderson expressed support for the city's work on metro title 13. They want to express support for the bureau of planning and sustainability, bureau of environmental service and park bureau, their concern was that in the ordinance it spells out specific things like the north river plan, and we would prefer to have broader goals than specific projects that impact that project is not adopted. So that's gunderson, you can read their letter. I want to speak on my own behalf, and I was very active in the economic opportunity analysis process, and I have to admit that despite having done this for 30 years, and have a ph.d. In regional science, I learned a lot in that process. And I thought they did an extremely good job. So what i'm advocating for personally is an environmental opportunity analysis that is similarly constructed to this economic opportunity analysis where you would look at identified -- look at demand, and probably find not enough natural areas, my guess, and then you'd have to come up with strategies to resolve that mismatched just as the economic opportunity analysis did. That's one point. The other point in the -- we have a joint economic environmental -- committee, and I made the point that only with developmental restoration and one lady disagreed, and she stated that she was aware of somewhere that wasn't maintained. They did the restoration and it reverted back to the native species. I still stand on my point, I think her point is very well taken as well. For 30 years we've restored and maintained my property out in corbett, and we have elk and bear and coyotes and foxes and we have bald eagles in our trees, and that's because we actively keep the invasive species out, we have grown over 200 evergreen trees, and we've removed dead trees that are not appropriately left trees that are appropriate. So I want to strongly advocate for the maintenance side to restoration, because restoration will not occur without someone being responsible to maintain it.

Adams: Mr. Frye, I read -- appreciate your comments, and I read the letter on behalf of your client, at gundersson and I still don't understand.

Fry: In the ordinance on the first page, they list -- it's in the second paragraph, they talk about Portland's compliance to metro title 13, and as proof of that, they list projects like the central city reach, like the north river reach, like Portland plan, and those plans change over time. They're not always implementable, and so we advocated that rather than having specific projects to rationalize Portland's compliance, we use goals and ideas and efforts which Portland has a rich history. I don't want to spend too much time, but the environmental protection and conservation zones which I use deal with a lot is a Portland idea. And now it's actually when you read title 13, you find those embodied in -- so metro has actually taken what Portland has done and put it into title 13. Thank you for the opportunity.

Adams: Mr. Salinger, welcome back.

Bob Salinger: Good afternoon. My name is bob salinger, i'm the conservation director for Portland audubon. I'm here today to support the resolution before you for the city to come into substantial compliance under title 13. We're pleased to be here today to acknowledge some very significant successes, and the city does have a strong program, the city has been a leader in terms of goal five. And we would like to see it remain a leader. Also here to acknowledge that some work is still undone. And we greatly appreciate the fact that the city has taken the step of developing an

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iga with metro. We think that's important, because the city did ask for two extensions, specifically to accomplish very specific goals that it felt was important to come into compliance. And we made a lot of progress on those, but there's still some very significant work undone and I think the city does a good job of capturing that. I want to highlight a couple things. River plan north reach. That's still in limbo, an incredible amount of work went into that, and we need to follow through. We just got a very good ruling from the supreme court that acknowledges the city does have the right to regulate resources on the river, and we really hope that when the issues resolve that we will move forward and implement that. And we also need to keep -- monitor it closely to make sure It does what it's supposed to do in all directions, economic, environmental, social. And we don't always do a great job of coming back and making sure they work, that's a place where we step up and do a better job. Stream corridors, we have a lot of -- stream corridors that weren't mapped, and those are unprotected. At least mostly unprotected. And we need to go back and make sure we put the same protections on those extremes that we have on the ones that were originally mapped. Those are vital natural resources. And it's really a matter of equity if we're going to protect most of them we should protect all of them. The tree code, we need to follow through and fund that. A huge amount of work a big success for this council, let's make sure we actually have the money to implement that and make it a priority. Funding for grey to green, that runs out in the next few years. How do we move it into the next generation? And funding in general for natural resource programs. We're in tough economic times, everything is being cut, but we need to really prioritize and make sure that we continue some of the big efforts that we've invested a lot in. And then finally I want to highlight goal nine. A lot of the issues that slowed things down were the conflicts between goal five and nine, we're working through that now so hopefully when we get through that in the next couple months, year, we'll have a chance to go back and look at some of these things that were delayed. And I really hope we do that. I know we said we would do that, so we need to follow through and see if we can get those things done on the ground. Thank you. And congratulations to the city as well.

Adams: Thank you very much for all of your contributions to the effort. With that, I will entertain a motion to accept the report contained in 1355.

Fritz: So moved.

Fish: Second.

Adams: Karla, please call the vote to accept the report contained in 1355.

Leonard: Thank you mayor Adams and everybody who's worked on this. Aye.

Fritz: I want to make my comments on both items now. Thanks everybody for all of your work. This is a significant body of work over decades. The agreement requires that we withdraw and protect our valuable goal five resources, including the ones that are not currently protected, and it commits to making sure that they are. I'm going to be on the council for the next four years and I expect to have those regulations to me before the end of my next term. And look forward to working with everybody on those. The benefits of healthy river corridors extend beyond the Riparian borders to include human health and healthy ecosystems improvability by increasing recreational opportunities, improving wildlife habitat and making our city more attractive to businesses and accompanying jobs as well as improving property values in neighborhoods. So this is an economic plan as well as an environmental plan. And as a council and as a council member, I commit to funding these initiatives. Of course the funding is crucial or it won't happen. We need to make shut comprehensive planning project gets done over the next four years, and that we include not only map changes, but also language changes. It was mentioned that watersheds don't respect political boundaries. Nor do streams and creeks respective maps. It may have been done decades ago, or even yesterday, streams move. And we need language in our code that allows when the application is submitted to check where is that stream now, and indeed we also enforcement of our current regulations as well as making sure that our standards are clear and that everybody knows

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what they are. I appreciate peter finley fry's suggestion for environmental opportunities analysis, and I think that certainly can be done as part of the north reach plan and the work on the harbor, and the number of things where all of our values come together and mayor Adams, you've been a major leader over the eight years you've been on the council, and previously under mayor katz, and I very much appreciate that this has come to fruition before the end of your term. Aye.

Fish: First I want to thank everyone for their great work. On the acknowledgment page, of the title 13 nature neighborhoods, it has the a team of folks from all the bureaus that have been working on this. Speaking for the bureau of parks and recreation, we're very proud to partner with so many talented people. And so many great partners. As I look at the Portland accomplishments since the adoption of title 13, i'm almost dizzy headed looking at this list. I realize that we jammed a lot in a brief period of time, but it fills up a page and a half, and it looks sterile, but i'm reminded that just the citywide tree code took a couple years off my life. Mike probably has a little more gray because of, you know, Portland plan -- there's a lot of work here, a lot of great work. I compliment mayor and my colleagues. There was something that stood out to me in the report that we have 12,845 acres of title 13 habitat conservation areas. That's a very important number. And I think looking forward, there's two things I think we're going to have to grapple with. One is that how do we get a more predictable and reliable funding stream to maintain those natural areas? And to sort of piggyback off of The intertwine concept, we're going need a regional approach to do that. And I have a hunch that's in the offing. That's going to be very important. And that 12,845 is just within the city of Portland. So this is a treasure we have regionally. We're going to have to find the funding mechanism. And the second is, we've got to keep adding to that inventory. One of the proudest things I was involved with on this council was working with dan, the bes, and parks acquiring river view. And i'll beat mike to the punch -- if you go back to the 1903 plan, there it was, foreshadowed that we could have this incredible wildlife corridor. And we did it. Of course we've been sued for it, but hopefully -- we have great confidence we'll prevail in that lawsuit. But that was an historic acquisition, and we need to continue that momentum. And be bold in our acquisition strategy. And finally, in addition to thanking everyone who's spent time with us this afternoon, i'm just reminded mike said that 30 years ago they said nature belongs on the other side of the urban growth boundary. Let's bring it 30 years later and just take a typical day in mike abbate's and my life. And let's take south waterfront as an example.

Adams: Morning golf game.

Fish: There are many things People could write to us about, but what do we often get calls and emails about? Don't pay any attention to them. They're short-timers. Let them go. This is part of their therapy. I'm reminded that we're just as likely today to get an email, a furious email from a constituent saying what's up with the osprey? As we are -- about anything else. Not mike houck, actually. Don't point the finger at bob.

Leonard: I have five of those in my in box right now.

Fish: The initials might be c.o. I'm just saying, there's other people out there that have those interests. But the fact people are focused on an osprey. It's putting aside the logistical questions and the headaches about the osprey, the fact there are -- there's a whole organized group of people focused on the survival of an osprey, and the reproduction functions of an osprey in south waterfront is amazing. The fact an osprey even chooses to live there is amazing. But that's just as likely, and we'll hear from people about the eagles and if -- a hundred yards to the east, or --

Leonard: [inaudible] [laughter]

Saltzman: the osprey can afford to live in south waterfront.

Fish: This will pass. How many days, mayor?

Leonard: 34.

Fish: Thanks to everyone for a job well done, and we're pleased to partner with you on this, and we have a lot of good work ahead. Aye.

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Saltzman: I want to thank the mayor and the bureau of planning sustainability, parks and recreation, bureau of environmental services for devoting a lot of effort to what people do care about, and that is nature inside the urban growth boundary and how do we preserve our watersheds and our abilities to get around. It's even more important today than it probably was 15, 20 years ago as people are gravitating back towards the city and really want to do that and maintain a degree of livability, a degree of contact with nature that's so important, and I think metro's title 13 and all of our efforts to comply with that are really good steps and supported widely by everybody. I'm including myself. Aye.

Adams: Well, this has been a great city council to work with as a city commissioner and as mayor on the individual projects that are listed, and a lot more that is included in the annual budgets of the city. I want to take the opportunity to thank a great team at the bureau of planning and sustainability, and bureau of environmental services, and office of healthy working rivers, the bureau of parks, and I could go on. But especially to the bureau of planning and sustainability for bringing this all together. We are very lucky, we're known around the nation as one of the best cities for smart planning, And that's because of the great work that you do, and it's evident here today. So thank you. Idles like to thank in my office lisa libby, Raihana ansary, and jonah Papaefthimiou, for their work on the planning and sustainability group and the mayor's office. Pleased to vote aye. [gavel pounded] please call the vote for 1356.

Leonard: Aye.

Fritz: Just to add that this executive summary of the regional conservation strategy which mike houck and bob sallinger were involved in, will be on my coffee table in my office because it's outstanding work. Thank you. Aye.

Fish: Aye.

Saltzman: Aye.

Adams: Aye. [gavel pounded] we're -- congratulations. We're adjourned. Until tomorrow.

At 3:24 p.m., Council recessed.

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Closed Caption File of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

NOVEMBER 29, 2012 2:00 PM

Adams: Good afternoon and welcome to the chambers of the Portland city council, today is thursday, november 28th, 2012 -- 29th, 2012. Just one more day with this mustache and I can shave. It looks like hell. Is that --

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

Adams: Christine is not impressed with my mustache. I thought you said it looked like hell.

*****: [inaudible]

Adams: Ok. City council will come to order. How are you today, Karla?

Moore: Fine, thank you.

Adams: Can you please call the roll. [roll call]

Adams: Can you please read the title to the time certain in front of us?

Moore: Did you want them both read?

Items 1357 and 1358.

Adams: Please.

Adams: City council is familiar with the basic outlines of the out of the mud street by street initiative, because we had a really -- I think a really good work session where everyone had an opportunity to ask questions, and add their own ideas to what we're considering in front of us. So i'll go over some of the basics. There are about 2,070 center Line miles in the city of Portland, approximately 60 of those center line miles are still dirt or gravel streets. And 45 of those center line miles, again, of about 2,000, are unpaved streets that are in single family residential areas or on residential streets. What we're talking about today is to legalize a shared street forum -- form of design, and the important part about legalizing it is that folks that choose this option would be eligible for this city-backed financing, which is some of the most accessible financing options. Today we are going to be the first reading on authorizing those streets. We will now be offering a variety of legal street standards. Christine leon, who is director in the bureau of planning -- the bureau of transportation, and chris newland, have been working on this for some time. I think we've been working on this for at least two years. So i'm excited to begin the process of making a decision that will allow a lot more people living on muddy or dusty streets to have some proper pavement. Would you like to begin?

Christine Leon: Thank you. [inaudible] my name is christine leon, and i'm a principle engineer in the Portland bureau of transportation, and I manage the transportation's development and street systems management division. So we have a power point slide presentation for you this Afternoon, and we're calling this the street by street out of the mud initiative. So the mayor has said, no two streets are alike, yet we have one standard that is set to try to improve those 45 miles of dirt and gravel streets, in addition to about 167 miles of residential streets that are paved but don't have curbs and don't have sidewalks. So that represents about 22% of our residential streets. And it's the subset of the local streets, like the mayor said, it's not just the local streets, it's only the local streets that are adjacent to single family residential zones we're talking about today. This one standard, the traditional standard is out of reach for many people. Those are the people responsible for improving the streets to standard, plus it doesn't afford enough flexibility to the neighborhood and to the context of the natural environment, and the existing conditions that exist in our built-in

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environment -- our built-in neighborhoods. The mayor requested pbot develop an affordable, safe, context-based program for improving our residential streets, and to develop a program that allows a deferred option for a local improvement district for low-income eligible lids. So that's what we're going to present to you today. This effort has been done in collaboration with our stakeholders group, neighborhood association groups, engineers, planners, and with input from Bureaus of environmental services, fire, and bureau of development services as well as experts in the bureau of transportation. So Rachel is going to go through a couple of slides to talk about our outreach efforts and our input, and then we'll go through the more mundane ordinance requirements.

Adams: What are you talking, mundane.

Rich Newland: The foundation for developing the street by street initiative has been the stakeholder and technical advisory committees. They've been meeting since March to identify and discuss the wide variety of issues that needed to be addressed to develop the new design standards and program elements. We'd like to take this opportunity to thank the citizen business, community organization, and city bureau representative who served on the committee and helped develop the initiative. In addition, the project received input through presentations to 13 different community organizations that have a direct interest in the issues related to the improvement and function of residential streets. And finally, a key group of stakeholders in this discussion are the neighborhoods with high concentrations of dirt and gravel streets, our broader public involvement process is targeted six areas, we're at the -- where the highest concentrations with additional input through the neighborhood association and district coalitions in those areas. These neighborhoods include Brentwood, Darlington, Woodstock, Cully, Linton, Southwest Portland and Outer Eastside Portland. And the message has been very clear -- at a minimum, we need new tools specifically once it addressed the issue of affordability.

Leon: So what we have is an ordinance that lays out six requests. We have six requests in the first ordinance, and then a second supplemental why -- ordinance that deals specifically with the lid financing. And so I'm going to run through each one of these. Three are more straightforward and the other three are more intertwined program development requests that we have. So essentially the 1st one is to adopt the report. Second is to adopt the standard, and then third to include the pavement of the standards in as the city maintenance obligation, which is consistent with our code. And then to develop policy guide residential street concept approval, because now that we'll have new choices we need a process to decide which street is going to get which standard. To offer a developer in lieu of fee, we talked about this at the council work session, we were hoping we'd get further along than we have, but it's going to take some more time. So we're asking council to help us by pushing us to develop this continuing in a more collaborative manner. And then finally to offer a deferral financing through a local improvement district for streets design and constructed as shared or separated streets where they're eligible. So I'm going to cover the last item basically through the second ordinance toward the latter part of the presentation. So the first item, and I tried to put asterisks in the titles of the slide presentation that really represent one of the elements of the ordinance that we're asking for. It's to adopt the report. The report is boiled down into three different elements. One is the history and the challenge and the problem that we're presented with, and the two standards that we're asking for today. And then some of the program elements that we need to go along with these standards, which is the input and approval process, the maintenance component, and the financing issues. So a bit of the history. I thought this is actually fascinating. So finding affordable streets has been an issue for the city for more than 20 years. So in the late 80s, council adopted a report to start looking at skinny streets. And in 1991, our skinny street standards were adopted, which really reduced the pavement width and allowed for queuing streets. And we still use those standards today. There's also an affordability request, so in 1991 we adopted a substandard street component. But those substandard streets were not to be maintained by the city. So there's some complexities and issues that are associated with those substandard streets

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today that are not working for us. In 1995, there was a local improvement district that was formed called cheap and skinny streets, and that enabled a number of miles in those -- formerly certain gravel streets to be improved. That lid was very, very heavily subsidized. So again, in the early part of the '90s we were looking at coming up with more affordable standards. In the latter part of the '90s, we as a city adopted different standards, and new programs to stay up with current requirements. We started with some modifications to the lid program in 2000, and then in 1998 we adopted the pedestrian design guidelines. In 1999 also the storm water management manual was adopted. In 2004 we adopted as an administrative rule the development design standards for streets that are constructed under land use or building options. So we've been changing as the times have been changing and the requirements have been changing, but we still don't have enough tools to give us what we want to do today. Streets are not being approved fast enough. So in the last five years, there's been really more of a radical shift towards the shared street concept. In 2005-2009, the idea of a complete street started emerging across the nation, and it really means to do a context-based approach where streets are designed for all users. Kind of what we do here in Portland, but across the nation it became a movement, if you will. Here in Portland as well, in 2009 we launched our neighborhood greenways program, and then in 2012 we got some changes through ours that enabled us to reduce fees on these neighborhood greenways. So neighborhood greenways basically are streets where bikes and pedestrians are given priority over motor vehicles. In April 2012 the Portland plan was adopted. There's a number of action items and policies that afford a shared street and new tools that allow flexibility in our residential street standards. And then finally in August, the cully neighborhood transportation plan adopted, and that was a one-year effort that through neighborhood input identified the shared street and the separated street, which we have today, a concept to be applied in that neighborhood. In 1999, a pedestrian bike planner named Dan Burden published street design guidelines for healthy neighborhoods. And in his research, he found that pedestrians in most cities say they want well designed alleys, lanes, and streets that keep motorists' speeds between 10-25 miles an hour and provide on-street parking, sidewalks, shade, benches, street lamps and other community amenities. It's still applicable today. He also made this conclusion which I'm going to read, it's about a paragraph long. I think it really sets a solid foundation for what we're trying to achieve. He states "walkable, bike-friendly, transit oriented neighborhoods eliminate the need for many nonessential motorized trips. Traffic volume, speed, and noise are reduced by slowing motorized traffic people discover the front portions of their homes are pleasant places. They spend more time in front yards and porches and meet neighbors along walkways and at street corners. Putting more people outside further slows traffic and enhances neighborhood security. As more people make friends and share information, neighborhood bonds are strengthened, and people watch out for each other. Over time, parents feel more comfortable about allowing their children to be outdoors more often and they permit children to walk or bike to many of their favorite destinations. These attitudes foster activity and personal interaction that benefits the physical and emotional health of children, seniors, and benefits every resident." so where are these streets in the city of Portland? This map in lime green shows the residential streets that are paved with curb. And 99% of those are city maintained. The red, which really are concentrated in the cully, Woodstock, Brentwood-Darlington, and east of I-205, everywhere but inner Portland, represent unpaved streets. Dirt and gravel streets. Those are the 45 miles. The yellow and purple are paved without curb and sidewalk, and just one color over another designates whether they're city maintained or property owner maintained. The brighter green areas are the pedestrian districts. And we've taken out pedestrian districts from this subset of residential streets. Because based on the use and the classifications of the streets within the pedestrian district, they're more compelled to be the traditional street. So that leaves about 22% of the residential streets could benefit from these new standards. The 45 miles of the unpaved and the 167 miles of the paved without curbs. So this is what we're offering. We have the traditional residential street standard

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today. And we're proposing the separated commercial street and the shared residential street. What you see adjacent to those sketches represent what an lid cost would be for 20 years for a typical 50-foot fronting single family lot. Again, these are estimates, low confidence estimates based on a very broad set of assumptions. One of the big assumptions and design elements that make this affordable is the storm water drainage that hits the impervious pavement drains off into a grass parking and tree area. These streets that are out there today that are gravel and dirt and paved without curbs do have some place for the storm water to go. We believe these will work where the water can infiltrate and will meet the requirements of the 10-year event. Where they don't, then we'll have to look at what storm water treatment options are available. So these are the standards that are included in the report that we're asking for adoption. It's the separated commercial street standard, and the shared residential street standard. So essentially 16 feet of pavement with seven-foot gravel shoulders, trees are interspersed through the gravel shoulder area, the difference between a separated and a shared essentially is the separated walkway on one side. With all these options, they have to be designed in the context of the street, and there is certainly flexibility within these designs to add on different elements, to change different element, but we need to start with some basic design standards. At one time we thought we could break the entire right of way apart and have people build building blocks and create a street, but that proved to be too complex for most people. We have two standards that we think most people will be starting with. Here's an example of a shared street. Shared streets do exist and people do use them, because people feel comfortable sharing the space. There's been a tremendous amount of growth and understanding in the last five years of shared streets here in the United States, they're affordable, safe, and what people want in our community. So there's two things that are important that really support the shared street. One is that our state's statutes require for a narrow street, 18 feet or less at any point a regulatory speed limit of 15 miles an hour. We're proposing to post the speed limit, and also post signs alerting motorists and bicyclists that there are pedestrians present in these streets. And to also put traffic calming with speed bumps on each one of these streets that are shared. Other elements that can be designed into them are chicanes, serpentine alignments, those would increase the cost of design and survey as well as maybe some more public input because it wouldn't be balanced through the center of the right of way.

Saltzman: What's a chicane?

Leon: An abrupt curb, so it forces a motorist to slow down. Some of the streets in Europe, in England they're doing DIY streets, do-it-yourself streets and it was an outcrop of home zones, where they were expensive to build and they were effective, but the DIY streets are doing things like chicanes with paint. So that's something we're excited about. You could maybe put a planter box or something in the street that's affordable that does that chicane to offset the traffic.

Adams: We do have one of these in Portland, that's northwest 13th.

Leon: We have some festival streets and more expensive streets. We're focusing on the residential need to balance the affordability and get the flexibility and designs that work. There are specific criteria we have. So we do know that the federal highway administration has set out parameters for shared streets. Low speed, low volume is designed for use. The city of Portland has identified these five items as criteria and also have defined them. So the street has to operate as a local access streets. Some streets are local access, but there's a lot of cut-through traffic on them. Also the low speed component, 15 miles an hour, low volume, less than 500 vehicles a day. That really gets to the -- they shouldn't be used for cut-through traffic. Designed for use. So what we've said is they have to have -- be safe. The line of sight has to be adequate, and that includes maybe vertical curbs, horizontal curbs, vegetation, we've heard that's one of the big concerns, we don't want to have the overgrowth of trees that add to the environment, but not to extent where they block a safe situation of somebody in a pedestrian being in the street. But we propose to sign and mark the streets. Detectability. The edge of the road has gravel for a purpose, and that's so it can be protected. The

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cross slope is to be designed to meet our ada guidelines, and the material also is designed to meet our requirements. So ada has set out for walkways two criteria. That's smoothness and firmness. And the city, when we've gone through looking at different options, have included two additional criteria for the material. That's they have to be slip resistant and low abrasive. Some of the questions that we got in the community input process were how do we assure once one of these streets are constructed, that there's going to be low speeds? And low volume? Part of that is assured with the design. But using speed bumps is one of the most effective traffic calming techniques that is used throughout the country and throughout the world. If the street doesn't meet the shared street criteria, for example there's a higher volume of vehicles, or the street is a prime destination or adjacent to, say, a school and a park, and there's just really a more compelling reason to give the pedestrian more safety and comfort, then we're offering the separated street design standard. This is a nice example from lake oswego that shows the sidewalk off to one side. So all that, and we also can make these streets better. So they're not just streets without sidewalks, they're streets that can be in hangouts for livability. -- enhanced for livability. The design enhancements will bring people out into the public space. There's going to be more opportunity to activate the right of way, there will be more interactive, prominent features can be provided through encroachments in the right of way, and it gives people variety along the way. Another noteworthy change happened in 1990. The home builders, architects and american society of civil engineers joined to publish the advance thinking at the time publication called residential streets, which advocates at that time for properly scaled streets, streets planned to avoid excess storm water runoff and streets which can serve as meeting place and center of community activity. We believe this will enable us to meet that objective. I should mention too that the ability to get these constructed in the right of way would most likely be done under the encroachment permit that. Is one of the things my division is responsible for issuing. And with the shared and separated street design standards, we'll be able to control more of the folks that put things in that space that shouldn't be there, that maybe block free passage. So it's something we'll develop over the next year, the encouragement parameters Regarding the shared streets and the separated streets. I mentioned drainage. The base design assumes the storm water runoff will be able to go and percolate into the a you adjacent gravel section. In some cases it won't and just looking at the maps and talking to the bureau of environmental services, maybe about 50% of the city will be able to drain into the shoulders and 50% maybe not. And so in those cases we'll have to do a public storm water system. And the storm water management manual has the ability to be flexible to do a more system-based approach, and it's exciting that bes is at the point where they're looking very seriously into these, and the southwest Portland is a good case study that they are -- that they've recently embarked on. Each street will be designed and the environmental conditions looked at when we apply the base standard. But some will have to do public storm water treatment because there is a lack of disposal point or lack of infrastructure. Another things we're asking for, this seems pretty obvious, is that the pavement is under the city's maintenance responsibility. So this is in accordance with city code chapter 17.42, that says if the streets are designed to the standards of the city engineer and accepted for construction, that they'll be maintained by the city. Just a quick note too that the 45 miles of unpaved streets are 100% property owner maintained today. The 167 miles of streets that are paved but without curb, about 22% of those are maintained by the property owners. So if all those streets were improved, then we would add about 10% to our maintenance responsibility for just the residential streets. So the next two requests are entwined. I'm going to talk about these in an example, and the first one is to develop a policy to guide residential street concept approval. So we want to have input from both the residents and the developer. So if a developer is coming in for an infill and is faced with a street improvement requirement, now we have a menu of choices, we want to be able to allow the residents or the neighborhood to participate in what design standard is selected. But not at the expense of delaying any proposed development. Entwined with this is a

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proposal to develop a developer in lieu of improvement fee. So the example i'm going to use is in southwest Portland, the yellow line is garden home road, and the red is southwest 47th avenue. Southwest 47th avenue is a local service street, we can call it a residential street. Southwest garden home is in the fanno creek drainage district, and it also lacks infrastructure and so the storm water in this area generally drains to the rivers. The street classification of garden home road is a neighborhood collector, a community transit street, a city bikeway and a city walkway. It does haven't facilities on the streets. It's got a bus stop. So the two pictures to the top here show development, one's an aerial view to the right, the other is a section that has occurred to the north of garden home road. And you can see houses, when they were developed, were not required to do street improvements. They were probably required to submit waivers of remonstrance. And do nothing because it was probably impractical or infeasible to build the improvement. The section on the bottom of the slide is garden home -- 47th south of garden home road, where we've had some development inquiries, the street's gravel, but there's challenges with lack of transportation infrastructure, lack of storm water structure, infrastructure. So what do we do? These are the new options that we're going to be looking at, the traditional, the shared, and the separated. But how are they selected? Is it the developer that comes in and gets to select maybe with the city which approach we apply? Or is there some input from the community? That's what I believe, we need some input from the community, but how do we best do that? So we've got some approaches We're going to continue to work on. But it's going to take more time. The other thing to consider, and this is the developer in lieu of fee, what happens if it's impractical or infeasible to build anything on a street? Maybe in the gravel street example down below on this drawing. It's impractical for one infill development to build anything. And so in that case maybe a developer in lieu of fee would be most appropriate. Again, what are the parameters, what are the conditions of that program. So we've come up with some scenarios we'd like to continue to work on that. This is how it could work as far as the input process. We're looking to have in the darker blue some tools that at least inform people better today, better than they are today of what we have to offer. We want to continue to build a strong website that lays out very succinctly the options for people and the ramifications. And then if someone does choose to go through a public works permit, typically what a developer is faced with, this idea of breaking apart the concept development phase so there's an alternative consideration with both residents, developer and the city. I should mention if a public works permit is not the mechanism to improve a street, then most likely it will be a local improvement district. The process is very similar. With all local improvement districts, the scope of the project goes to city council early. So there's that built-in approval stage. So it's already inherent in the lid process. The other thing I should note with this slide is the feedback loop. So we know that the shared and the separated street are new ideas, we have some that are operating today, but we want to be able to do some design adjustments as these get constructed. We have a couple of locations in the city that we're going to be building. Either shared or separated street. Hopefully next year or the following year. And we want to use the designs to help form a better design. The site distance and vegetation is that working appropriately, the surfacing of the pavement, we probably won't see any change in two years, but it's something we want to continue to evaluate. So this slide just shows that through the public works appeals process, we have given consideration to infill development. So the photo in the top shows southwest 31st avenue before, and then the second is an enhanced drawing showing infill development where we required a separated street. I'm not an architect, they're my trees, but this is essentially what we're looking to require people to do. So the very final component of this is to -- Of this ordinance is to offer financing through a local improvement district as far as available for one of these streets to be built. And allow a deferral program. So the second ordinance that we have before you today is in summary asking for the -- to authorize the city to develop an lid financing contract option with a five-year deferral for eligible lids, and the eligible lids would be essentially in b, if the majority of the lid -- thank you so

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much. Commissioner Leonard, no less. Thanks, commissioner Leonard. If the majority of those within the lid are earn less than 80% of the median family income. That's mfi. The lid is not eligible for a tax increment community development block grant or other subsidy, and that a funding source is identified in two years, or before two years, to support implementation of the deferral option.

Fritz: Why did you choose to -- or have to have it that it's if everybody is below that particular income level? What if one family is below that level, why could they not apply for a deferral?

Leon: That has to do with some of the laws that are in place regarding what we can offer people with the deferral package. Andrew aebi and the debt team, we call them the debt team, are here to delve into that more than I can answer.

Fritz: I'll wait. Thank you.

Leon: we're almost done. So to wrap up, we've received very strong support and endorsements for these new standards and concepts presented, and we'd like to acknowledge the time and the input from our citizens and other bureaus, and their ability to think creatively and collaboratively on this effort, and I think the diverse perspectives have brought forth the best recommendation that we can consider today. As I noted, the financial folks are in the audience, andrew aebi would be the one to call upon for the question about the lid. Fire bureau, environmental services, and then some experts from the bureau of environmental services are also here. So thank you very much for your time, and request that you support these in front of you today, and that concludes our presentation.

Leonard: I have a question. What is the mechanism that's used to actually cause a street that is currently unpaved or a neighborhood that doesn't have a paved street, or a sidewalk, to actually have that happen with what you are proposing? Do they have to self-initiate that?

Leon: So there's two ways. One is, if you're not developing, your residents that live out there and you're tired of your gravel street, you can either do a permit, public works permit, or you can now through this initiative, do it through a local improvement district. But no one is forcing you to do that. If you're a developer and you're faced with a requirement by the city to do street improvements as a result of your development, then you will have to go through this process of a public works permit. Sometimes you can corral the rest of the neighbors on the street to do a local improvement district for the entire block, but usually that doesn't happen. So there's nothing in this proposal that forces anybody that's not developing to develop their street. What we're giving them is new tools to consider.

Adams: It might be lost, it's a small distinction with a huge impact, and that is we've up until now our lid financing, which is financing -- only on the traditional street. Not only have it required a version of all or nothing, even the cheap streets turned out to be skinny, not very cheap. So we didn't have a lot of uptake on them. So we're trying to offer people, as you said, the more inexpensive design options and for the first time allowing them to do the bancroft financing, which is also known as lid. One thing we talked about in our work on this last couple years is how maybe for the next presentation, is how small can an lid be? If a group of folks want to pave from curb-to-curb as opposed to we think of lids as much larger, how much success have we had in the staff work of allowing that smaller lid unit?

Leon: Andrew's been doing some of those. I think one just last year was a partial street. So there's flexibility within that program. This gives more flexibility. I can ask andrew to come up and maybe give a description of that, in addition to answer commissioner Fritz's question.

Saltzman: Maybe an additional question -- under the hardship provision, you say there's 80% below mfi, within two years if alternative financing is -- you're giving them a two-year window to secure financing, does that mean if they don't secure alternative financing it automatically reverts to an lid after two years?

Leon: When we were going to do is give ourselves two years to come up with financing to help implement this program. There's going to be a slight increase in cost, and the deferral package is

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proposed to incur interest, but it would be paid through the lid. There would be some increased administration costs as well with the deferral program, so that's the financing package that we are asking for ourselves to identify.

Adams: It's actually based on somewhat on the past work that Andrew has done, but also on Lana's work on the sewer reconnection sort of financing program and sort of the flexibility and the lessons learned from that financial assistance program. Mr. Abby, welcome back.

Andrew Aebi: Thank you Mayor Adams. The deferral ordinance before -- that is before you doesn't actually create the deferral program. It authorizes the creation of a Deferral program once we can identify an internal funding within pbot to make those deferrals happen. So I think Christine recapped this pretty well, but the two-year time frame is the period in which we identify that funding source. One way or another we report back to Council within two years. One thing I should mention with respect to deferrals and other safety net programs like low-income grants within -- regardless of the standards that have been extraordinarily effective and attracting property owner support for lids, when we offered some safety net programs on some subsidized lids, the participation rate was actually quite a bit lower as when we did final assessment for the lid. Than what we thought it would be at the beginning. Just because -- I did a quick analysis for Christine, but bear in mind building the traditional street standard, but I looked at two lids completed and the average annual increase in property valuation was about 10%. About 18 or 19% on the others. So what happened was property owners after the lid was completed put their homes up for sale, realized they -- a big capital gain on their properties and in the end didn't really need the deferral. I think that's the framework we're aiming for. We just need to work out the details in terms of how to make it happen.

Adams: That was very similar to what Lana experienced with the financing options for the Bureau of Environmental Services for all the clay pipe sewers that -- connections between houses and sewers. There is a lot more turnover than she had anticipated, and there's a lot more revenue. But it's going to take time to figure out that.

Leon: Right.

Aebi: And also there was a question about how small lids can go. The shortest one I've done that I can recall was 160 feet. So a little less than one downtown city block. And I think it's important to note that whatever standard you decide to adopt, any lid that comes to Council, Council will always approve the scope of that particular lid. So that's always determined individually with each lid that comes before you. The other project I would just mention is when you approve Northeast 112th and Marx earlier this year, on one street, 112th Avenue we're building the full curb-to-curb buildout on Marx Street we're only building half of the street. With the idea that the other half will be built upon future redevelopment. So even within the existing street standards we certainly endeavored to be creative and flexible and Council of course will have the full discretion to continue doing that with future lids.

Adams: Thanks. One thing I think we're going to be able to market here is I think lids are traditionally, even though you point out you've done smaller lids, I think the public thinks of them as big, sort of massive projects. And I think marketing around, you could get together with your neighbors and get a block done. If you wanted to. Thank you. Appreciate it.

Fritz: Andrew, what would the -- is there a change in the state law that would be necessary to allow property by property, to allow somebody who is not in an area where it would qualify for the low-income deferral but who happens to be a family living below the poverty rate? Is there something we could get changed in state law to allow that?

Aebi: Is your question related to who gets included in an lid and gets assessed or --

Fritz: No.

Aebi: with respect to the deferral?

Fritz: The deferral.

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Aebi: The criteria that's in the deferral ordinance, rich and christine work on the street standards ordinance. I worked on the deferral ordinance. But the criteria for the deferral ordinance was modeled on previous safety net programs that we've offered with subsidy. So that is not set in stone. That's not a state law per se. What we're trying to do is to identify criteria so we weren't offering the deferral in all situations, recognizing that pbot had to come up with the funding for the deferral. So we were trying to target the deferral for those who we thought would especially need the deferral.

Fritz: I'd be interesting as you move forward to look at that one family who's currently out of unemployed or whatever -- so the whole lid doesn't qualify, but that family might be able to -- if there's something we can do on a citywide bases to give assistance to folks who would have certainly liked to reap the benefits but can't afford it right now.

Aebi: One point of clarification, one lid that we offered on southeast 128th avenue, we actually didn't have the special that we needed of people in the lid. But the federal criteria was not who was in the lid, it was who was using the street. And this particular instance it was a street that connected a larger neighborhood to foster road. So we were able to do an income survey beyond the actual lid, established 51% of the people using the street, not necessarily being assessed for the lid would benefit and we were able to offer the deferral. That's our own internal criteria which this or future council is certainly welcome to change.

Adams: Just so i'm clear, is it possible -- is there any state or federal law that would prohibit us from not having to qualify a geographic boundary in order to just offer low-income assistance to a property owner?

Aebi: If there's no federal funding involved, and the way as I understand this is set up, we're still planning on having everything funded by the lid. So there's no federal or state law that precludes who we are for the deferral -- who we offer the deferral to. The main thing is that when we do impose the assessment they have to be on a timely basis. If we can't complete an lid and wait five years to assess it under irs rules. We have to assess it in a more timely fashion. So that's where the internal pbot funding comes in. Because we're not using the tax exempt financing that is subject to federal law.

Leon: I think jennifer cooperman the city treasurer could talk about how we can't discriminate within an lid.

Adams: Treasurer Cooperman.

Jennifer Cooperman: Good afternoon. In order to be eligible to use tax exempt funding, the financing has to be offered to everyone in that lid equally. So we would lose the tax exemption if we were to do it property by property within the lid, which would have the impact of increasing the cost. Taxable financing costs, traditionally more expensive than tax exempt. Which is one consideration in this whole process.

Fritz: And you could structure something that would tell us what the difference is and allow the lid folks to choose.

Cooperman: Sure. Or the homeowner.

Fritz: So if everybody feels bad for the one family that is struggling they could go for the nontax exempt financing. I don't know what the actual difference in the cost, whether that would be tens of thousands or not. Anyway, as you continue to explore this, i'd like you to look into that a little more. Thank you so much.

Adams: Thank you all very much. We'll now turn to our invited testimony. Marianne fitzgerald, don baack, justin wood and glen bridger. The citizen super stars of neighborhood transportation and housing. Welcome back.

Marianne Fitzgerald: Thank you, mayor Adams and city commissioners. My name is Marianne fitzgerald, i'm the president of southwest neighborhoods coalition of 17 neighborhood associations and three business associations in southwest Portland. And we have many miles of streets that

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could benefit from this program. We also have many miles of street that look like this program. So it's -- it seems very familiar to us. So our transportation committee and our board did look at the design concept, and we do support the design concepts and the street by street initiative. But we wanted to point out a few provisions that the streets improved under the standards and the initiatives, and all currently existing streets with similar levels of improvement be maintained at the standard currently required for sidewalks. Because the bicyclists, pedestrians, and those with disabilities have no other choice but to walk in the street, so we want to make sure the streets are just as safe to walk on as the sidewalks would be. And we also ask that the streets improved under the standards in all currently existing streets with similar levels of improvement have the speed limit set at 15 miles per hour, and that traffic calming measures are used so that the vehicles actually observe the 15 mile-per-hour limit. And we really are looking forward to the flexibility in this program, and we want to work with you and with staff as we pilot this, the projects move forward, because we do have some challenges as christine described in her presentation. And this really could make a difference in getting some projects actually done. So thank you for inviting us today.

Adams: Thank you very much.

Don Baack: Good morning. I'm don baack, I chair -- president of southwest trails pdx, i'm speaking for them when I testify. We wholeheartedly support this proposal. This will help improve our streets in southwest considerably. As has been pointed out, we have somewhere around 120 miles of streets that actually were built to city standards at the time they were built. My street was built in 1928. And it was built no curbs, no sidewalks, and 18-foot width. Since we've got so many of these streets, I think it's really important that we provide for traffic calming through 85 percentile, 15 miles an hour, some method to do this, including the ability to finance it. I know this is a reach to some degree, but on the other hand for the people that live here and walk on these streets, our trails group walks every month, multiple miles, not always 13, but we usually get out --

Adams: I will never forget that day.

Baack: This is really important, and I would appreciate if you think through how we can put this in. So the people who need -- walk -- i've had neighbors in our street on burlingame avenue, which is a cut-through, move because the traffic was so fast. And their children felt unsafe on the street. They felt unsafe on the street.

Leonard: Is there any for sale there right now?

Baack: I think there's one, but it won't be there long. The price is too low, that's the reason. Nevertheless, the turnover affects communities when you have turnover. And that's what we want to do, not have people move for cause, but rather opportunities and otherwise. The service quality and issues that marianne has identified are really important and we wholeheartedly support those. I'd like to move to implementation, and that would be I think if we do this like you normally would, we'll build a street and work on the traffic calming, I would suggest a parallel action. So we take let's go for the traffic calming stuff, we've never done 15 miles an hour to my knowledge officially in the city. Take that on, look at the chicanes and the speed bumps that are appropriate as an independent section of things we do. We've got a lot of streets we could do it right now on, and do those, figure out how that works. Because it's going to give you demonstration projects when people are looking, I can do my gravel street but people will driving too fast. I think you'll get a lot of buyers, once they drive -- telling people it's going to be traffic calmed to 15 miles an hour, they say yeah, uh-huh. And my water bill is not going up. So anyway, it's just the kind of thing I think you make a lot more believers. Finally, vegetation. I've been working on the pedestrian advisory committee with staff for over a year, on trying to get vegetation management on streets without sidewalks addressed in the comprehensive way. And quite frankly because of lack of staff, we haven't done that in the city. We went around with the person in charge of this some months ago,

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and he basically said, there aren't any real specific rules that we're supposed to maintain our streets through a way that's safe or kids to walk or wheelchairs. As a result someone can be in a wheelchair, someone in a car, even at 15 miles an hour, and be a disastrous accident because you can't move fast enough. So vegetation management on curbs, corners, not so much worried about along the street, that becomes a traffic calming thing, but on the curbs and corners is important, and I understand Christine has told us that she's going to be addressing that, that's really important. Thank you very much. Any questions?

Adams: Thank you very much. Hi, welcome back.

Justin Wood: Thank you. Good afternoon Mr. Mayor and members of the council, I'm Justin Wood, representing the Portland Home Builders Association as well as I'm an infill builder here in Portland with Fish Construction. I want to thank you for allowing me to testify before you in support of this proposal. I've served on street by street committee and its various predecessors we've had over the years, and I'd like to thank PBOT and BES staff as well as the others including Marianne and several other people for their hard work. I think the standard you've been presented with provides a great basis for beginning the process of improving neighborhood streets across the city. The design allows for a more functional cost effective way for neighbors and developers to provide usable streets throughout the city and neighborhoods. This base design also will allow us a foundation to establish an in lieu of fee where developers can pay into a fund where a street improvement is not practical in every circumstance. Also, while this program will help streets develop in some areas, it's my belief if we want to improve all the city streets to this base standard, then the next step we need to do is to take this standard to the next level in determining a funding mechanism to improve all streets to the standard over a specific period of time. In closing I believe what has been developed is a good program and a good start and I ask council to consider approving it. Thank you.

Adams: Thank you very much. Who -- welcome.

Moore: We have one more person, Andy Johnson.

Andy Johnson: Thank you for letting me speak. As nervous as I am, I wanted to -- because of the situation, I find myself in lending my voice to support for this. I'm a private citizen, in 2006 my wife and I built our dream house, it was on a 2008 build a green tour, it's on an infill lot in southeast Portland. When in preliminary discussions with BDCs we were told we would need to sign a letter of nonremonstrance. When we submitted our architect design plans for the house, we were told the policy had changed and we were responsible for the entire street improvement requirements in and of ourselves. So at the time the estimate was \$55,000 for street improvements. We had significant investment in the design of the house, and were advised in the meetings with the city that the value of the house was on the record and the value of the lot would be decreased by that amount, so we went ahead and went forward with the permit and signing the residential street improvement bond. So fast forward -- we were given a few years to complete the improvements. Fast forward a few years later, and \$25,000 and various engineering and review fees, and it turns out that we are -- the costs are right in line with what is being presented here. As you know, property values have decreased, so we're basically looking for a way forward in our situation and it seems like for other people if not for us at this point, that this would be a situation, if you do the math, the value of the lot is assessed at perhaps 100,000 and the cost of the improvements are looking to be, when you put in the system development charges, 1.5 or higher times the value of the lot. So what that means for this particular situation, I just want to say that I think this is a beneficial thing going forward for development of the lot.

Adams: Thank you for taking the time to come to council and sharing your experience. And that's a key reason why we're moving on this. Thank you for your testimony.

Johnson: Thank you.

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Adams: These are nonemergency ordinances. But it is the holiday time. And folks like Mr. Johnson, I think deserves Christmas or Holiday present, so I would move we apply the emergency clause to these ordinances in order to spur the paving and improving the life and safety on existing gravel streets and to benefit those that are in process.

Fritz: Second.

Adams: Moved and seconded. Can you please call the vote on the motion to add an emergency clause.

Moore: That was the same clause for both?

Adams: Yes.

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

Adams: Aye. Can you please call the vote for item 1357, which is now an emergency ordinance.

Leonard: This is an excellent program, and I appreciate Mayor Adams' focusing on this, and getting it before council before we leave. Aye.

Fritz: Chief of staff Sam Adams was concerned about this back in the days when I was involved in some of the early lids. The skinny streets and adding storm water swales, and indeed you've focused on it for eight years, so I'm very glad to be able to vote for it as an emergency ordinance. I've heard no testimony against it, in any of the things I've read or been talking with folks, and I particularly commend everybody for working with it. And working together for it. The folks from southwest where I live in deep southwest definitely will be happy with this and I appreciate you coming in to give your experience. It's all over the city as we were shown by that map. I want to remind everybody who's watching at home that Christine gave her profession as an engineer, for young women interested in science engineering and math, you too might be able to formulate something really interesting and good for our community by pursuing that career. So thank you Christine for all of your work. And indeed the entire team and the Mayor's office, and the bureau of -- all of the bureaus. It's an example of us all addressing a problem and coming together to figure out something that makes a lot of sense for a lot of people. And I greatly appreciate your leadership on it, Mayor Adams. Aye.

Fish: I'm pleased to support this innovative approach and I appreciate the interim briefings we got on some of the questions I had from the first reading. Aye.

Adams: Thank you Katja Dillman for your great work on this, thanks Rich for your great work, Christine, biggest thanks to you, you just -- it's been amazing over the last two years the work that you've done, you back longer than two years, but the work you've done on this specific project. And then I wish every neighborhood in Portland had Marianne Fitzgerald, Don Baack and all the other citizens, Justin and his good work to try to make infill the best it possibly can be, and to really chip away at substandard streets, unsafe streets. Thanks for your work. I'm very pleased to vote aye. [gavel pounded] please call the vote for emergency ordinance item 1358.

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

Adams: Aye. [gavel pounded] we are done and on break for 25 minutes. Thank you.

[recess]

Adams: City council will come back from our short recess, and just for the record, Karla, can you call the roll.

Leonard: Here. **Fritz:** Here. **Fish:** Here.

Adams: Here. A quorum is present and we shall proceed, can you read the appropriate titles to the appropriate items we're considering. 1359 and 1360, non emergency ordinances.

Items 1359 and 1360.

Adams: Portland city council and the city of Portland and others have been actively considering the future of Veteran's Memorial Coliseum for about 16 years. Veteran's Memorial Coliseum has served as a regional asset for 51 years, providing venue for community celebrations, and entertainment, and athletic event, hosting on average over 400,000 visitors per year. It is one of the most used,

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large event facilities in the pacific northwest. The last time this issue was before the city council, the city council provided direction to us, that memorial coliseum was here to stay, and that had no intention of going back on that promise. Important for the veterans in our community, for the future of the district, and the surrounding neighborhoods to finally have a decision of whether it would go or stay, and with the removal of that uncertainty, to finally be able to market it to investors so that it can realize its full potential as the center of the center of the region. I want to call out the citizens' participation over nearly two months of the stakeholder advisory committee, which represents Portland citizen values, and the diversity. That group solicited folks to put forth their best ideas for the memorial coliseum, and we have got a lot of ideas, everything from a natural history museum to a water park to sound stage. There are lots of ideas. Some good ideas. Not necessarily financially feasible ideas. And from that, cull it down to the restoration and renovation that city council approved as part of the terms of agreement, and that we're beginning to see today, with, beginning to work on today, with the actual development agreement. This effort has also the citizen leadership integration of the community benefits framework to guide the future rose quarter development in addition to the coliseum. The agreements that will come before council today, are the culmination of many years of effort, two ordinances that Karla has read the title for. To assure the renovation and substantial improvement of the veteran's memorial coliseum, with the blazers acting as projects manager, assuming the financial risk for doing so, and providing project management at no cost. I am very thankful to pam, the blazers, for their willingness to do that, and they lend great expertise in doing so. The ordinance in front of us will also identify when and how the money for the project will flow. It recognize the rose quarter as a critical redevelopment area for the city, and transfers to pdc the lead role is developing the publicly owned properties around the vmc, and with financial benefits accruing to the spectator development fund should the redevelopment come to pass, and it better. I'm still going to be citizen here. Through the agreements the city is recognizing that expertise with pdc, and they are looking forward to getting to work. This agreement further provides that the Portland winterhawks will be the anchor tenant and an active partner in the veteran's memorial coliseum, for at least ten years, with the option for 20 more. It guarantees that the blazers operation and programming the veteran's memorial coliseum for ten years, and, perhaps, longer. I want to also, before we get presentations, I have asked that today, our presentations and discussion and work with council will be with city staff, and pdc staff, and leadership because of the news reports that, that we all read about in the newspaper over the past 24, 48 hours. I want to read the statement regarding the developments. The winterhawks are Portland's hockey team. And one of the most successful western hockey league franchises in the history of that league. Having reached the whl finals, each of the past two years, under new ownership. The winterhawks enjoy exceptional and exceptional fan base, and community support, drawing over 200,000 fans per year. With an average 6200 attendees per game, not including playoffs. They provide family-friendly entertainment, and they stand out as one of Portland's most beloved sports franchises. Since the news of the sanctions came to our attention, i've been in close, direct communications with the hawks' management, and the owner, as the story has unfolded, and based on what the league has been willing to publicize, I believe the proposed sanctions that are proposed by the league are excessive. Not only are they excessive, they threaten the, the financial underpinnings of this deal, proposed deal itself. And I urge the league to come up with more reasonable sanction, for whatever violations did occur. I want to reiterate the commitment to the team, and our support for their future success. With that, I would like to call forward the pdc chair, scott andrews, chief administrative officer for the city jack graham, that are going to frame the discussion, brief background, high level description of the deal points, and then we will hear from peter, betsy ames and rob burchfield. That will get down into more of the deal structure, financial analysis, talk about lessons learned from the field, and we'll hear from dina alexander, who will go through the document, so you will see a powerpoint that will distill it, and more of page-by-page

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document. We expect that to be done with an interpretive dance, accompanying it. From there we'll go into q&a. But I encourage the council, we will not be voting on this for at least two weeks, and encourage the council to take this as an opportunity to ask all the questions as we go along that come to mind.

Leonard: Before we start, I mean, I kind of feel like this is an example of, other than this, Mrs. Lincoln, how did you like the play? Isn't it a little difficult, I mean, I'm asking honestly, not as a loaded question, isn't it difficult to go through the deal points that each of us have had private briefings on, given the events that we read about, which can precipitate financial collapse of the winterhawks. As I understand it. How we consider this deal on its face given the circumstances that the winterhawks find themselves in? I am an avid supporter of the winterhawks. I go to their games. I take my grandson to their games. I don't know what the details are, other than I could not vote as good of a deal as I think Jack and, and Scott have negotiated. I couldn't support such deal given this looming comet heading towards us. Without some more information about what's happening there, and I'm not sure the points of the deal right now make a lot of sense.

Adams: I will tell you that the owner of the winterhawks and the person putting up the \$10 million, given the timing of the sanction, is, is not -- his reaction is not dissimilar to yours, other than he wants to make this deal happen. I asked him for his advice, and he said, at least get familiar with what's on the table, go through all the details. He's working hard to get the league to be more reasonable in their initial sanctions for whatever violations occurred, so he encourages us to please get into the details. If we need to take more time before we vote, so that, that the league will come to its senses, he's fine with doing that. I am fine with doing that. We're not going to -- he's not going to agree to something, and we're not going to agree to something that, with the league's exorbitant sanctions, excessive sanctions, none of us can fulfill.

Leonard: Is that even possible to happen in the next 33 days?

Adams: He's hopeful it is.

Leonard: Ok.

Adams: But it is in the league's hands.

Fritz: I would add, I have faith in Portland's hockey fans, with a renovated coliseum, and with continuing to watch the hawks regardless, that we would be able to maintain it, a team to help them get through this difficult period. The various college football teams have gotten through sanctions and come back after it, so, indeed, continue to be entertaining and, marketable in the meantime. So, I know how much Portlanders do enjoy their hockey team, so, I want to express my personal support for the winterhawks.

Fish: Mayor Adams, you know, as I read the terms of the proposed sanctions, it reads more to me as Randy said, as a death warrant, and less like probation, frankly, and if team has got to forfeit the coach, it's draft picks, it's ability to play in the post-season, these are not teams that run on, the most significant margins anyway. It does -- so, my understanding how the mayor would like to proceed today is for us to take advantage of the opportunity, to better understand the outline of the deal. But, in light of this development, I get my senses, I probably won't go as deep as I requires would, but I want to understand generically, and with the understanding that if a miracle happens because the problem from the news reports is there is not even a clear are protocol for how you appeal this, where there is, is usually litigation, where there is not clear protocols, you have to establish them, and that's an additional hurdles, I think the record is clear, we're all reserving our right to revisit this at some greater depth later, and we appreciate the opportunity to, at least, understand the proposed deal that's before us.

Adams: I think that's totally fair. Mr. Chair of the Portland development commission.

Scott Andrews: Good afternoon. I am Scott Andrews. I'm chairman of the Portland development commission. And I appreciate the opportunity to at least attempt to move this forward a little bit. It's a very complex transaction, and I know that we briefed you several times, but we'll spend the

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time this afternoon really getting you up to speed. Is, hopefully, this one last pot hole, and there have been several in the way of this deal, can be filled, and we can make something happen. I got started on this in october of 2009. When mayor Adams asked charles wilhoite and I to review the activities of the citizens' advisory committee. And the mayor, misspoke. The citizens advisory committee met for two years.

Adams: What did I say?

Andrews: Two months. [laughter]

Adams: Boy, did I misspeak.

Fish: You could have done it in two months but you took two years.

Andrews: That's true about a lot of respects of this deal. [laughter] And they met 17 times. They looked it over 100 different proposed activity. The mayor asked charles and I to take a look at this, me because of my development background, and charles because of his work with the north, northeast expansion. And what was happening with the urban renewal district. We sat down with the three finalists. One was a school. One was the renovation into a giant sporting facility. And the last, but certainly not least, was the renovation of the veteran's memorial coliseum. We met with all three parties, found that none were willing to work with each other. Looked at the pros and cons and came, the conclusion, the two of us, that by far the best finalists was the renovation, and when it went back to the citizens' advisory committee, that was agreed by consensus. There was nobody who disagreed that after exhaustive public look, that this was not by far the best thing that we could do with that piece of land in that building. Since that time, I have spent on average four or five hours week on this process. I know a lot more about the rose quarter. A lot more about the veteran's memorial coliseum than I ever thought that I would. But it hasn't been all bad. I have come to three major conclusions. One is, and the real reason why i'm here is the pdc chair, and behind this, I think the major impediment to getting renovation done to the rose quarter district has been the giant question mark that's been sitting on this building for 15 or 17 years. And as a developer, myself, I could hardly fathom coming up with a concept for a development that was next door or based on what was going on, in that district, not knowing what was going to happen with the veteran's memorial coliseum. This action takes that giant question mark off of it for probably at least 20 years, with the \$31 million investment. People with confidence know that we'll continue, not only be the home for the Portland winterhawks, but also, a number of community events, graduations, other sporting events and, and with that kind of confidence, it will make it much easier to get something done. That's a very valuable quadrant of the, the planning shows that there can be quite a bit of density there with the streetcar going through. The timing is right, the economy is getting better, there is going to be big help to having that happen. We had this conversation at my board meeting today at my commission. Took action to approve our executive director to have the authority to move forward on these agreements. And you can imagine there was quite a bit of discussion about the health of the winterhawks, and these particular sanctions. And I think that it's very easy to get buried in that particular issue. I think you need to remember that we're not doing this for the Portland winterhawks. We are doing this to renovate very important community asset. The winterhawks are roughly half the attendants, but currently, more than 200,000 other people that visit that site. And there should be considerably more, but the building is very, very tired. And it's very difficult to renew events, let alone, bring back old events in the facility that, that has barely been touched in 50 years.

Leonard: I interrupt you just there? But what about the \$10 million contribution by the hawks. How much of this renovation is dependent upon that?

Andrews: Well, I would say without the \$10 million, there would not be a renovation. Within the \$10 million that the winterhawks are providing, I think at the end of the day, I would say that there is six or 7 million worth dollars of enhancements, so there is three or four million worth of just maintenance and repair out of, out of the 10, so, without that \$10 million, you would have, have

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three quarters renovated memorial coliseum with none of the enhancements that would help to bring more events, and make people more comfortable at the events that are there.

Leonard: So to be clear, that was my understanding when we had our briefings and discussions, and why I raised this issue here today because the, as the mayor pointed out, some question on the part of the owner, of the winterhawks, as to whether he can fulfill his commitment. If the sanctions stick. These actual charitable organizations -- I won't pass judgment on, whether they are correct or not. I don't know enough about the charges, but I have never seen anything of that dimension focused towards a sports team that would almost seem as though it's intended to permanently damage them.

Andrews: And I would not disagree with you, and in my discussions with their executive team, this was a huge surprise to them, not that there was some sanctions, but that they are to the level that they are and, and they are having a hard time figuring it out, and that's why they think that they are getting support from others that there is a good chance that they can reduce the sanctions that the league will wake up to, the true consequences of following through with these. The other piece of this, in terms of uses, is the two coliseum complexes are very unique in the united states. And there is a number of events that we're able to do that we would not be able to do without having both them. And I will highlight one that is, is, people are very excited for already. And it is the biggest in season ncaa basketball tournament ever scheduled, supposed to be here in Portland. It's in celebration of phil knight's 80th birthday, but it is supposed to have 16 of the top basketball teams in america here. And it couldn't happen without a renovated memorial coliseum. That's just one event. And I bring that up because, as I was doing my due diligence, what you find when you take a look at even the unrenovated coliseum, it only took one major event. When we had the world cup tennis here, we had a profitable year. And so, it really only takes one really well attended super event to, to create hundreds of thousands of dollars of revenue in all of the an silvery jobs that come with that, the travel. The eating. The shopping. Etc., so, it does put us on the map in terms of the ability to, to bring events to Portland, that are very unique, and are not, not available to other people. The last piece is, is, and it really hit me hard, at the press conference when the veterans came and showed their enthusiasm for this renovation, and announce their \$2.5 million fundraising campaign. And that is the veteran's memorial coliseum and, and the city of Portland, it should be a building that the city of Portland is proud of. Should be a, a building that, that the veterans can be proud of. And I can't say that it is, in its current condition. A building that, that we're all proud of. I know, I want to talk about two quick things before I turn it over to jack, and one is, there was, there's been some discussion about the, the risk to the spectator fund that, that this proposal has, and jack is going to go through that. He does a very good job of protecting the city, and we have done a lot of things to mitigate those risks. And we believe that the rewards outweigh those risks. But, I want you to remember that you need to weigh them against the alternatives. And the alternatives are probably no renovation, which means the city owns an unrenovated memorial coliseum that badly needs \$25 million worth of just repair and maintenance work to it. And that is a huge risk to the spectator fund, and at the end of the day, the general fund. And that's what I have on the veteran's memorial coliseum side. That's what I have spent most of my time and effort on. I did just want to talk quickly about the second ordinance which is the option agreement, and when the initial term sheet came to city council, that the opportunity for pdc to develop those properties, was couched in the terms of the development rights. Even at the time that we were in front of city council, however, I remember the discussion had moved to, to transferring the land rights to us, and there was three reasons for that. One was, we are going to be backing up the winterhawks funds if they are not paid, at least to the level of \$2 million. So the value of this would give us some backup to, to cover that, if we had to pay it. Two, it would give us pot of money in 2023 if our contingent license became effective, and we were running the memorial coliseum, and they were, they were losses. Although we're confident that won't happen. And finally, a recognition that, that, that this

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property in the hands of pdc gives at no time greatest opportunity to get developed in a reasonable period of time. We not only have the expertise, but, and the leverage, but we have a real desire to see those properties developed, and made profitable and turned into jobs, both from construction standpoint, and a long-term standpoint. So, if there was some questions in terms of kind of the shift from, from development agreements, we may get into that into, into option agreement, from the development agreement to transferring the title, to now, we're asking for an option agreement, quite frankly, because as we had gotten into those properties, pdc has not an opportunity to do the due diligence necessary to make sure that the value is there in those properties that we think that there is. As always, as you start to get involved, you start to peel it back, there is environmental concerns. There are utility concerns. There are operating agreement concerns, in some of the cases these pieces of property part of the operation of the vmc, and we want to make sure that we don't get in the way of, of properly operating vmc, don't get in the way of events that we want to have there, and so we want a bit more time to make sure that, that this makes sense for pdc to take on.

Fritz: But you have an estimate, with the working estimate, before you started thinking there is other considerations to the value of that land.

Andrews: I think that round number of around 5 million, but I would say that it's, it's already considerably less than that, that we would be able to ascertain.

Fritz: Thank you.

Adams: Thank you, mr. Chair. Did you have more?

Andrews: I have no more. Unless there are questions, I will hand it over to jack.

Jack Graham: Good afternoon, council, jack graham, chief administrative officer. The renovation of the vmc has been a priority project for the office of management and finance for at least a year and a half that i've been the cao. And we expect several outcomes would be achieved through these negotiations with pdc, and pam and the winterhawks. We wanted to keep the vmc open, second was to renovate the vmc to address maintenance, and improved user and fan experience, and improve the marketability of the building for number of range of reasons for users and for, for other events. As stated, this would serve as a catalyst for redevelopment and development in the rose quarter, which is a longer term effort that council has intended pdc to serve as the lead agency in the development of that area. Which omf supports. I believe the redevelopment agreement, along with the associated agreements, will meet the council's intent with respect to these outcomes. The billing will remain opened, continue to serve as the venue for sporting events and a range of community activities and events. To remain an asset of the city, the region, and the state, and most of all, it will continue to serve as the memorial to our nation's veterans. The vmc renovation agreement provides 31.5 million in capital investments to address the deferred maintenance, and improve the facilities for users. And enhance the marketability to the building. Our budget may not be able to accommodate all of the desired improvements, but it will provide for some major enhancements. And including the new ice floor, that has been installed. Seatings, concessions, use the experience, accessibility and life safety improvements and much more. What I would like to do now is, is turn this over to my staff, betsy ames, and pdc staff, peter, and they will lead you through a presentation that's going to outline the background and the specifics of the ordinance that you have in front of you today. Rob Burchfield from pbot will present information as it relates to the parking district, that is also a part of the ordinance. So, with that, I just want to say that when I begin this project, you know, the first thing that I looked at was that, whether this project was in the best interests of the city. Leveraging the 2 million, pdc dollars, working with pdc, and with the parties involved, I still am at that same point that I think that this is in the best interests of the, of the city. Also, and also the region. So, with that, if you don't have any questions for me --

Fish: I have some questions, but if you are going to have staff presentation, does it make sense to go --

Andrews: We'll be back at the end.

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Adams: Welcome. Don't forget to tell us your names. Who is going first?

*****: Betsy

Adams: Miss ames.

Betsy Ames: Betsy ames with the office of management and finance. We have a powerpoint presentation that we will be trading off turns doing the presentations. I am going to start off, to let you know, this is the first of three planned council sessions. Today, we're doing the presentation as discussed. If there is some public testimony, we'll have an opportunity to hear that, as well, and then also, have an opportunity for the council to ask questions, and to provide some direction to us for when we come back. Next, week we anticipate that we'll have an opportunity for additional public stakeholder testimony, we'll bring back information that the council has requested. Have some more discussion around the items then, and pass it onto the second reading on december 12th when we would expect the council to vote on the matter. And at that time, we would be able to answer any final questions that the council might have. You should have copy of, or Karla, we'll be giving you a copy of a couple of sheets from the powerpoint presentation, we can also provide you the full presentation later. But, because of the number --

Adams: It's three sessions. Sorry.

Ames: Because of the numbers of participants, that are involved, I thought it would be useful to have this in front of you for your reference. As well as acronyms. I've been with the city for a long time, and I know that the city loves acronyms. This project probably has more acronyms than I have ever encountered in my career with the city. The participants, this project has been led by the mayor's office, with the participation of the office of management and finance, with the Portland development commission, with Portland arena management, who is currently the operator of the vmc and the rose quarter facilities. They are often referred to as pam. The Portland winterhawks, a major tenant in the vmc. The vmc is an acronym for the veteran's memorial coliseum. The Portland bureau of transportation has been involved with the discussions around the event pricing district. And some properties in the district, and then we have legal counsel from the city attorney's office and outside counsel, dina alexander and her colleagues, at radler, white, parks and alexander llp. Here's a list of the acronyms. Veteran's memorial coliseum, vmc, most of the rest of the acronyms we'll be talking about more as we go along through the presentation. The spectator facilities fund will often show up as sff. And as discussed earlier, there are two ordinances before you today. We have color coded the boxes, and we'll be using these as we go through. The veteran's memorial coliseum renovation is covered mostly by ordinance 1359, which has number of associated agreements, the option agreement in the rose quarter event parking district, is, um, an ordinance 1360, and that approves the option agreement with Portland development commission. For the rose quarter properties, and authorizes the rose quarter events parking district. I am now going to turn it over to peter englander, who is with pdc and is going to provide some background on the process that led us to today.

Adams: This is very helpful. I have never had presentation that did this so purposely. Thank you.

Peter Englander: Good afternoon good afternoon, peter englander, the central city manager. I am going to go relatively through background on the veteran's memorial coliseum. The building, as you know, was open in 1961. It's home venue. The Portland trail blazers in 1970 through 1995, as well as being the home venue for the Portland winterhawks since 1976. When the rose garden arena opened in 1995, that's the new home of the trail blazers, the memorial coliseum, remained open, but its future was uncertain, as chair andrews mentioned that uncertainty existed for some time. You can go ahead. I will then bring you forward to 2009, when we started this current effort. Part of it started with the consideration of the demolition of this building. For a minor league ballpark, and later on, mayor sam Adams convened the rose quarter stakeholder advisory committee that we talked about, meeting 17 times over a two-year period. And there were a couple of other

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groups that met so we really had three public processes on this. And the veteran's focus group, also met for the first time in late 2009. And I just met with him again, a few days ago. And you heard about their effort and the interest in raising significant funds to improve the veteran's memorial gardens. In 2010, we add this had building to the historic register, which really solidified its certainty as staying as a, as a building in our community, and there was a huge request for the proposals, and there were many, many of them that were reviewed. At the coliseum, it was quite a night. Where over 100 of these concepts were reviewed. And at the same time, commissioner Charles Wilhoite had convened a community benefit subcommittee, that after five meetings, created quite a community benefits framework, which we continue to reference and is part of our option agreement today. In 2011, we officially renamed the building the veteran's memorial coliseum. And the partners that we have talked about this afternoon, including the Portland development commission, the office of management and finance, Portland management, the Portland winterhawks started discussing the, the major aspects of this transaction in July of 2011. And we finished up a great deal of that work just a couple of weekends ago. So, it took a great deal of time, and as chair Andrews mentioned, it was very, very complex. During that time, you have passed resolutions, term sheets, and we kept you informed along the way. And we started the design in 2011. We got -- we completed this schematic design at the end of 2011, which gave us the basis for the scope of work that we do still have today. So, as, as has been already mentioned by the chief administrative officer, the sources of funds come from three places. But in addition to that, we also have a great partner in Portland arena management. Who will be our construction manager, and you approved an ordinance, a bit less than a year ago, an ordinance, and they will perform their duties at no cost. The Portland winterhawks have represented a contribution of \$10 million that we've been working with during this time. And the Portland development commission, has committed to, to a \$17.1 million participation in it, out of the, of the Oregon convention center urban renewal area, that has been memorialized in these documents as an intergovernmental agreement. There is one in place right now, which helped to fund the work this, that just took place. And also, is, is the source of funds for the 4.4 million loan to the spectator facility fund. So we continue to talk about a \$31.1 million project.

Ames: Back to me. I am going to be talking about ordinance, all the agreements related to ordinance 1359. This page shows a visual picture of how they are organized, according to the document you have in front of you. And the roughly inch and a half thick stack of papers that you have, which has all of the agreements, associated with the renovation project. I will be walking through each of them, highlighting the specific agreements and how they relate to each other. I will be focusing mostly on the deal points. Dina Alexander, who is with Radler Parks, will be addressing some of the legal issues in particular sections of the agreements. There might be a bit of overlap, and we'll try to limit our interpretive dance to the minimum possible. The renovation agreement, the framing document is the redevelopment agreement, the RDA, which is between Pam, the winterhawks, and the city of Portland. The RDA, the project funding agreement, and the IGA, with, with PDC, describes the agreements related to the project's budget and scope, the funding sources, and the approval processes for renovation of the VMC. We do have one other party involved, the funding agent, which is U.S. Bank, whose signatory to the project funding agreement. The scope of work, includes number of different improvements. The arena bowl improvements include new seats, ADA seating improvements, a scoreboard with video replay, the NHL-sized ice rink, with dashers and glass, that were installed this summer. And the concourse and event level improvements include a remodel the winterhawks locker-room and offices, renovation of restrooms, and renovation of increasing operability of the doors for ADA requirements, and providing signage. The building infrastructure and systems as we know, it's an old building. And this project will replace the domestic plumbing, piping, will upgrade electrical systems, and will repair and restore the pagoda canopy. Safety and code improvements include emergency lighting upgrades, fire

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sprinkler and alarm upgrades. Improved handrails and guardrails. For the memorial gardens improvements, the project itself is carrying funding to do some infrastructure improvements to the plum, to the fountain, and the 2% for art contribution will be committed to the memorial gardens, as well. All of the partners, as we were discussing, the scope of work, and adjusting the scope of work to meet the budget, had to make some concessions as to what would be included and what would not be included because we were planning to the budget, not budgeting to a desired scope of work. So, this does not include some of the items originally contemplated, including the roofer replacement, new loading truck dock. Curtains that could make more intimate space for concerts, and glue ram restoration.

Fritz: What's the last one?

Ames: Glue ram restoration. There are wooden pillars that frame the outside, or, the outside of the building, the curtain wall. And they have been painted over, over time, and there is a desire to restore them back to their original glory. And to be able to highlight the wood that's used there. Here's some of the pictures from the schematic designs showing the pagoda, the way finding and concourse improvement, as well as the new ice floor. The project funding agreement governs the funding and how the money gets put into the account, and dispersed. The city and pdc and the winterhawks have agreed to the following funding plan. The city and pdc would fund at closing, and the winterhawks' funding would come in three installments, but the first at closing for the first 2.5 million, an additional 2.5 million at 25% of the project being completed. No earlier than april 2013, no later than july 1st, 2013, and then the final \$5 million being contributed no later than july 1st, 2013. The amended and restated iga is between the city of Portland, and pdc, it's an update of the iga that the city council approved in january. The terms that have changed include the addition of the loan, 4.4 million from pdc to the facility funds, and it outlines the, the specifics for repayment of that. We will be, the city will not be making any payments for five years. The pin point for the spectator fund, and repayment will be at 2% interest starting in 2018. The restated iga includes a 2 million contingent grant for heating and cooling systems in the building. That was removed from the project scope, based on the promise of district energy. We're still working on the district energy for the rose quarter and the surrounding area. The revenue sharing agreement, was negotiated between the city and the Portland winterhawks to provide a return on investment for the winterhawks, \$10 million contribution to the project. This -- we negotiated baseline, based on historic performance of both winterhawks and the other events at the veteran's memorial coliseum. And, negotiated share of revenues above the baselines going forward. 100% of the user fees above the baseline generated by the winterhawks' events would go to the winterhawks, 50% above baseline of others would go to the winterhawks, and there is a fixed calculation for their share of increase in parking revenue. The city, pam, operating agreement is a second amendment to the original operating agreement that's almost 20 years old now. Pam has been operating the facility, pam, or the predecessors, were operating the facility for almost 20 years. This will extend that agreement for another 10 years with two additional five-year extension options beyond that. As part of the negotiations, we agreed to share in the net operating losses, up to \$400,000 of losses, \$200,000 city, 200,000 pam, and both parties will be able to recover those out of subsequent years, net operating profits. The agreement also continues, or has shared commitment to spend money on repair, maintenance, and capital investment and structural repairs, so that we don't get into the same position down the line. As discussed at the council session on august 22nd of this year, the city and pdc negotiated a conditional operating agreement in the event that pam doesn't exercise its additional extension options in 2023 to continue operating the vmc. This is -- what's done in order to provide the winterhawks with certainty that there would be an operator in 2023 so that they could play for the next 20 years. For the city, it was important to know what our costs and expenses would be. And those have been negotiated. The city of pdc conditional Ila is based on the existing city agreement. Most of the terms are the same. And there are some changes to the shared net

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operating loss that was negotiated with pam. However, our, the city's total exposure would be up to 250,000 of losses, and in one difference, there would not be reimbursement in subsequent years, net operating profits. It also continues to the joint commitment to repair, maintenance, and deferred capital investments and, and per the conversation that council in august, pdc has committed to continue to have community and public events such as the successful parade, Oregon sports athletic association, and competitions, and rose festival, and graduations, and etc. The last of the agreements is an architecture services assignment. As peter mentioned, pdc contracted for design work. This allows for that work to be transferred over. The work product to be transferred over to the city for use in the next stages of designing construction. Finally, there are three related items that are not before the council for action that we just wanted to let you be aware. Both operators, pdc and pam, or potential operators, pdc and pam, is the current operator. And are, are, or have negotiated some licenses with the winterhawks for them to play in the vmc. The city of Portland is not party to either of those licenses. And lastly, the Portland winterhawks will be paying to operate, repair, and maintain the, the large scoreboard. They will receive advertising revenue and sell the naming rights for that. But they take on the responsibility for being up to date and in good repair. As a result, we have agreed to pay a nominal rent for the use of that at non hawks events throughout the term of the agreement. And now, i'm going to turn it over to peter.

Englander: I'm going to go through the option agreement, and rob will go through the parking district.

Adams: For the record, your name is?

Englander: My name is peter englander, central city manager --

Adams: For those transcribing it's helpful if you can re-mention your name.

Fritz: And a quick question before we move on. And that is, you remind me about naming rights with the scoreboard. What's in the agreement regarding the main building and naming rights?

Ames: There are no naming rights for the building. It will remain the veteran's memorial coliseum and cannot be renamed.

Fritz: Thank you.

Englander: Peter englander, Portland development commission. The option agreement details the terms under which the city would transit center fee title or ground lease to the Portland development commission. There are five parcels within the rose quarter involved. The agreement currently also has provision to replace the spectator fund revenue that may be lost due to development at two of the parcels. And that will be covered next in detail by rob. And we are also working towards a future council action for transfer of certain right-of-ways controlled by the bureau of transportation. So, we'll talk about that later. As part of the rose quarter stakeholder advisory process, the Portland development commission completed a rose quarter district plan that shows how the future development at the rose quarter and beyond the rose quarter could be implemented. A key component of this has been certainty about which kind development could take place. Which is why it's been so important to establish the certainty of the veteran's memorial coliseum, and that was the first step. The second step of that certainty was the northeast quadrant plan, and i-5 interchange facility plan, that you adopted just on october 25th by resolution. If implemented, the patterns development could change quite dramatically in and around the rose quarter so that was very important work that the bureau planning and sustainability had performed. The user, these are examples of the certainty along with the reason that we opened streetcar that will help to attract new consideration of development in this very centrally located and easily accessible district within our central city. The other thing that I want to mention, is that the value of the, of the central city 2035 north northeast quadrant plan really established much more of a connection throughout the entire, the entire lloyd district. And this is, obviously, in the middle of that connection between a bulk of the lloyd district and the river. Within this rose district, that plan also considers some additional hype, which will also to help us with the future development. The option agreement itself gives pdc

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the ability to direct new development at the rose quarter. The option gives pdc the time to perform the due diligence and comments discussions back with the city in the Portland arena management and embark on the rose quarter redevelopment implementation. The purpose is to expedite the development at the rose quarter by providing the city's economic development agency, with the tools, to leverage, this underutilized district. And as well as future resources for pdc, beyond tax increments so that's a very important component of this, as well. The 15 years enables pdc to comments the efforts, as the, the veteran's memorial coliseum renovation is underway. And changes to the zoning, and entitlements, and an additional progress on the recon configuration of i-5. There is a lot of complex agreements on, on most all these parcels, and we need time to work those out with our partners, at the city, and Portland arena management. The next slide goes over the parcels, and i'm going to point them out in the slight beyond this, but before I do that, I want to focus on three of the parcels and some of the complexities I just mentioned. The benton block, which is the first parcel mentioned here, is a very important piece of real estate for the operation of the veteran's memorial coliseum. It's used for staging. It is used for, for the backing up the, the semis into the coliseum. Loading area, itself. It's very, very crucial to the operation of the building, so there is much interest in making sure that the building continue to operate if there was future development, of course, another major use of this lot is the rose festival parade itself, which the whole building was designed around. And so, that, that parade goes through that building, and it comes out, and it goes through the benton lot. The other part of that lot is that it is right on Broadway. It is a barely developable piece of real estate. And it's probably the most developable piece of real estate. But, we need time to figure out all those complexities I just mentioned to you so this option agreement, essentially, holds off redevelopment of that lot for the first five years, and the bar is very, very high for us to, to start redevelopment there within that five-year period, but, it also frames that five year period so after that, we're going to have much more flexibility to be able to do so. Another piece of real estate that's involved in this transaction is the east-west garages themselves, and there is two aspects of that, that I would like to mention. One is that this agreement does commit the Portland development commission, if we were to redevelop the, the garages themselves in any way, that we would replace or keep 98% of the parking that currently exists there. I believe that there is 1100 spaces between the east and west garages, and we will admit commit to keep or replace so that there is always at least 98% of the spaces that there are there now. However, to the north of those garages, is probably one of the, most easily developable pieces of real estate that fronts onto Broadway right there, so that's, that can be something that we can move on much more quickly. The last piece that I want to mention, is because I don't want to alarm folks too much, is the veteran's memorial coliseum, itself, in a very unlike event that anything does happen to this building, this option agreement does give the Portland development commission the ability to redevelop the building in the plaza in front as part of this transaction. I wanted to show you this slide because it shows the parcels themselves. Obviously, the coliseum, everything in red on the smaller photograph or aerial, are the pieces that, that are part of the option agreement. And as I mentioned, the veteran's memorial coliseum, itself, and the unlikely possibility of demolition, most importantly, though, the benton lot to the north towards the lower part of the picture. And the east-west garages, there is also a small triangle that's just to the left or to the east of the east-west garages that we have included in that. And that's because of the real possibility that the way that the traffic moves through the rose quarter may change with the reconfiguration of interstate 5, so parcels like that may become important. Lastly, there is a small parcel that is closer to the transit center, to the south, or to the top of the photograph, that was going to be a phase 2 entertainment complex, and that is part of this transaction, as well. I have tried to highlight in the larger pictures, which was done out of the rose quarter district plan, and Mike McCullough, who did that plan, is here today, and I just highlighted the parcels in the circles that are part of this redevelopment and how it was envisioned in the rose quarter district plan itself. So what are the benefits of the option

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agreement? Well, this transit centers responsibility for the development to the city's economic development and redevelopment experts as has been mentioned so far. It structures a partnership in a time frame with the city and the Portland arena management to ensure a smooth rose quarter operation, and consider the impacts to the spectator facilities fund. And as chair andrews mentioned, new development would target jobs, and very importantly, increase the assessed value to the general fund, so that would be a major outcome of continued development in the development at the rose quarter. And we would hope, and as highlighted in the rose quarter district plan I just showed you, it would stimulate additional development as I think it's fairly well-known, affiliates of Portland arena management own the thunderbird site, but the north, northeast quadrant plan made some very strong considerations of how that property could be developed, that would ensure green space, that would ensure a great view corridor, both from the river, for those of us who use the river and kayak up and down it, but also from the building itself out to the river, as well. Our option agreement incorporates this community benefits framework, was very important work that was done during the stakeholder advisory committee, and it also continues to further pdc's resource to the diversification as I mentioned. So, with that, we will move on to, to robert field, who will talk about the rose quarter event parking district.

Rob Burchfield: Ok. Mayor Adams, commissioners, I am rob burchfield, transportation system group manager for the bureau of transportation. As the first step I would like to introduce a substitute ordinance for ordinance 1360 for your consideration.

Adams: And there is some other technical amendments that are being -- you are going to introduce it into our discussion, but I will pile up all the requested amendments for the next time or the time after.

Burchfield: Ok.

Adams: So you can give it to us, and do we have it? We have it.

Burchfield: You have got it.

Adams: Great.

Burchfield: I will tell you briefly what that substitute ordinance does. It, it, basically, changes, rather than considering this, this creation of the event parking district for decision now, what does are, it directs pbob to return to you within a year with proposal to implement this district. So, it provides up to year's time for more stakeholder and public input to this process. Now, i'll talk a bit about what, or --

Adams: If I could interrupt, the lloyd district tma has been working on the event proposal with surrounding neighborhoods, I understand now, for some time.

Burchfield: Yes, we have had discussions with the lloyd district stakeholders, the lloyd district tma specifically. And primarily, outside of this process we had talked about potentially next fall as the time period for implementation, so that there is, actually, a pretty good synergy between that and the dialogue going there and this process, as well. So the concept of an event parking district is, basically, you know, active management of parking to better manage activities and travel demands in this large event area. We already have in place a transportation management plan that's been in place, basically, since the rose, rose garden was built. That, that has worked well over the years, and allows us to manage these events, basically, the travel demand, the traffic, that is associated with these large events, in an effective manner. We have not had really very sophisticated or active role in managing parking, and that's what this, this event parking district could do. So currently, this area that we're talking about, is included within the lloyd meter district. And so, it's an area that has metered parking. And meter hours extend until 10:00 p.m. every monday through saturday in the area west of northeast grand. And the meter right in that area is \$1, so, we have already taken steps, this, this, sometime, quite some time ago to extend meter hours and to price the parking. I'll be it, it's not priced very high. It's relatively cheap. But, it is priced. And because at the time that we did that, we only had mechanical meters in place, and what a lot of people may not be aware, is,

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is a lot of the meters we still have in that area are still the, the single space mechanical meters. So, we did not have a lot of flexibility in terms of how we could manage the parking. We could in the easily vary the times of operation or the rates. The other thing to point out, which I think is obvious to all of you, but that we do have large public investment in transit. And, to serve this district. So, we have, basically, all lrt lines, and now, the Portland streetcar loop, which serve this district very well. So, this is one of the really, the most transit rich environments that we have in the city in terms of our capacity to serve people via transit. And so --

Adams: It may be too obvious for you to mention, but the transit center there is very well used, and the bike, before bikes can get on weidler, they go through the rose quarter, so it's not only transit but active.

Englander: Yeah, and it really is an active transportation hub with the east side esplanade leading up into the district. So, this next map shows you when the current configuration of the lloyd meter district is, so the blue line, around the, the shaded gray area, shows the limits of the existing lloyd meter district and the graphic, actually, indicates the length of the meter, meters that are shown there. And you could see in the area of the rose quarter arena, and our, our convention center, that there aren't very many meters, actually, on the street areas. That's because there is not very much parking on the street areas around there. So, there is not very much parking that could be metered. Now, currently, as I said, we extend the hours to 10:00, over to grand avenue. So, if you are looking at the area to the west of grand, that's the area where we currently are, essentially, managing the parking and pricing during event times.

Adams: But also, we have discussed along the way on this project, if you could go back one map, thanks. Ms. Ames, is that the, the actual boundary of the parking district is Broadway, and so if you go to any event in the rose quarter, there is the ability to get free parking into the industrial area, north of Broadway. So we have no meters there at all.

Englander: We have just smattering of meters. A half block intrusion into there.

Adams: Fair enough.

Englander: But very few meters north of Broadway.

Fish: While you are on the map, could you help me and others, who may be wondering what's with the yellow striping on the pavement around the lloyd center with the Portland flags. Do you happen to know the answer to that?

Adams: Yes. As part of implementing the lloyd tma, and as part of the neighborhood plan and transportation plan for lloyd crossing, and the demand and the demand right now in the existing demand, we think, that will happen with safe, safer and larger and more robust bicycle lanes. That's what you are seeing there.

Fritz: Those are bicycle lanes or buffers to the bicycle lanes?

Englander: Could you articulate your question again, I don't think I understood.

Fritz: It's a random thought, but I have been wondering and other citizens have been wondering on the, the pavement next to the lloyd on Multnomah I think it is.

Englander: Ok. On northeast Multnomah.

Fritz: Yeah and then on holiday. There's these wide, yellow painted strips adjacent to the bike lane.

Englander: It's a buffer area that will, eventually, have planters in it.

Fritz: Oh, ok.

Englander: It will be clearer once.

Fritz: Thank you.

Adams: And the flag is some artistic --

Englander: Some artistic liberty to put the Portland flag in that area.

Adams: If you will notice the bicycle people on the bike lanes, many of them have been hacked so that they have little unique features.

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Fritz: Thank you. Sorry to interrupt.

Englander: Ok, next slide. So, part of the objective here would be to influence travel behavior through pricing parking. So, quite simplistically, today, if you were taking a max, a round trip on max for you and a friend to attend an event, it would cost you \$10. In terms of your transit fare to go to and from the event for your group. If your parking onstreet on the metered area, the typical time might be three hours, and maybe four, but a dollar an hour, so \$3 for your parking. And if you parked in one of the east-west rose quarter garages, currently, the event parking rate is \$13 an hour. So, you could see in terms of the choices that people might make on the face of it --

Adams: Or if you park on weidler street.

Englander: On street parking is pretty cheap. Maybe free. So, we would like to incent the travel choice for people to choose transit, or bike or walk, or carpool, but we would like to make sure that the, the pricing signals that we give people suggest a behavior that we would like them to, to choose. Next slide. So, currently, we use an event parking district around jeld-wen. And that's the model that we would like to use. In that model, what we do is we only price the parking on evenings or saturdays or sundays when there is a major event. So, we use our smart meters but have the ability for us to be flexible. We implement both extended hours, and we have a price, then, that really more reflects the market rate for pricing when you have one of these large events, that generates a lot of travel and parking demand. So, in the rose quarter, what we would do is extend meter hours to 10:00 p.m., only on event nights, rather than extending those hours on monday through, excuse me, yeah, monday through saturday, on all, at all times, or all weeks, and we set the meter rates during those event days and hours to better reflect, basically, market rates, and reflect the type of travel choice that we want people to make.

Saltzman: So this will not be used for any convention center events?

Englander: Right now we don't anticipate targeting the convention center. That is a possibility. What we have talked about today, to date having the events focus on when we, basically, have something like a sold-out event at the rose garden, which is trail blazers' games, and major concerts, and the occasionally other special events there. About 60 events a year in total.

Saltzman: There is no major event at the rose quarter or the coliseum, and just convention events, like the bead show. Like the gift show. You would not use the variable pricing for those?

Englander: We could. We have not -- that could be a part of the discussion. To date, we have talked about it in general but, it's a lot harder to characterize the -- what the demand is for a lot of those convention center events. Some of them would be, you know, you could tag and say, that's going to be a big one.

Adams: The problem we have now with mechanized meters, it's 10:00 p.m. Every night no matter what.

Englander: The other thing that's bit harder with convention center, to really understand when, when the travel demand is occurring, when are people arriving and when are they leaving, and etc., and how do, how would you manage it in that respect? When do you start to invent pricing, etc. It's more predictable for the rose garden events.

Saltzman: Don't we want to encourage people to come to the convention center? Last time I checked, we're hurting in that category.

Adams: We are. We can put in the modern meters by the convention center that right now we just have mechanized meters, and not charge until 10:00 p.m. Like we do every night right now. Right now, we have the old meters because that just is how it happened.

Englander: And that's one of the areas, you know, absent an event is very little parking demand in these areas.

Adams: If I could interpret slightly, you budgeted and you can bring back to sort of the 60 events that you manage, that are more focused on the rose quarter, we already have 10:00 p.m. parking, every night, or most nights, around the convention center and, and council could see the 60 events

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and what those are like. Of the 60 events, how many of you assumed to be at the convention center?

Englander: Well, I would say, what we have done is to target 60 events rose quarter specific.

Adams: None at the convention center?

Englander: No. So, basically, in summary, and I would be happy to take any of your questions, you know. The desired outcome for us are to basically, incent the visitors to use transit, bike or walk. Take some mode other than auto, if they can, and through that, we can -- we honestly believe we can reduce auto use and parking demands for these events. That's a win-win, really, for the district, as well as the neighborhoods surrounding the district. And clearly, there is an objective here, which is to generate revenue needed to support this spectator facilities fund, and the concept here that you are generating that revenue by, from users. Questions?

Adams: Don't go too far.

Ames: Ok.

Saltzman: There was a question, and so, when did this parking district become part of this proposal?

Ames: Around a month, month and a half ago, we first started having discussions about it.

Saltzman: What part of previous incarnations that have been underway here for years?

Adams: The, the event parking tma started at the convention center 15 years ago. That was put into place a long time ago. The lloyd district tma has been working on the pricing options for some time because they get so much overflow traffic into the lloyd district during big events, and the rose quarter. So it's been on their agenda for some time. I put it into this because we had issues related to the benton block redevelopment, and as I looked at the district and that we have no parking meters outside this, very few, we have a half block of parking meters, north of Broadway, and we're just giving away, you know, giving away spots for 60 odd events a year, it seems like things come together into natural manner to have this discussion when we are talking about better use for it. And the city should want to feel very secure, trying to provide as much security for the spectator fund, and this is a way for the city, through parking meters, to help secure this spectator fund. That's why I asked that it be put in, but, it's not -- it was not an item on the original term sheet. Those are my thoughts on why to put it in here now. I think it's fine, it's fine to have it come back to the city council. But you have got a confluence, not everybody, but you have got quite a few, you have got quite a bit of evidence now with Jeld-Wen field that it helps people just not take their car and get stuck around the field. We feel like we have had some really good success there. And raising more revenue for the bureau. And that's -- we really don't manage the parking very well around the major events around the rose quarter so that's what we are building off of, is our success at Jeld-Wen field.

Ames: I think that's night was a good illustration, as well. Jeld-Wen field event pricing around it because the U.S. Women's soccer team was playing a match there. So people parking around that facility were paying the higher rate per hour. Around the rose quarter, that had 15,000 plus people for a Bruce Springsteen concert, my party parked on the street for a few dollars. So, you know, those were both two very large events, both very good for the spectators in terms of user fee and, the parking revenues on the event in one area were very different than the other.

Saltzman: But meter parking revenues do not go to the spectator fund.

Englander: In this proposal they would.

Saltzman: The Jeld-Wen revenues do not go to the spectator fund?

Adams: They do as proposed here. That's why I included it.

Englander: Honestly, I think that I can say that they help, the meter revenues coming back to us help us to do the operations we need to do to manage parking traffic around Jeld-Wen field so we don't have to go back to the fund for more help, basically.

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Fritz: I was wondering, did you notice whether tri-met was checking fares at the rose garden? Exits?

Ames: I did not.

Adams: She drove her car.

Ames: Actually my father drove the car.

Fritz: They were at Jeld-Wen field. I also have, and I thought that was good. The commercial parking lots or the surface parking lots, that don't seem to be commercial lots most of time, but they are, an event, does the city get any revenue from those?

Ames: No, those are private lots. Except for the Benton lot. Which is a surface lot. And there is another 35 spaces or so.

Fritz: And they are only permitted for commercial parking but they only get used on event nights?

Ames: I don't know.

Adams: Good question.

Fritz: It would be something to look into, and allowing potentially institutions in the area to rent out their parking, perhaps, with their cut to the city if they have it on event nights.

Englander: That's something that we could follow up with.

Adams: Commissioner Fish.

Fish: I'm not sure who I should direct the questions to, so I think that I will just put the number on the record. And if, and I don't actually need an answer today. But let me just go through a few.

Ames: We do have Dina Alexander and Jack Graham coming up with more information for you.

Fish: On which piece?

Ames: On both pieces, I believe.

Fish: Do you think we should wait to hear that first? I am happy to --

Adams: Dina says yes.

Fish: Ok.

Ames: And before turning it over to them, I wanted, was reminded by the mayor's comment about the powerpoint presentation that, the three of us, and the, those testifying today did not do this alone. And I just brought up a quick list of some of the other folks on the city team, city pdc team, that have participated. Jonas Biery from OMF, Eric Iverson and Lisa Grant from pdc, and Peter Parisot as well as Amy Ruiz and Jennifer Yocom from the mayor's office. Susan Hartnett and Ben Smith from OMF. Kevin Break from pdc, who is now off in Australia. Denise Case from Radler White Parks and Alexander, and Mark Moline and Ken McGair from the city attorney's office, as well as Jim Van Dyke. So there have been a lot of people participating in this project for a long time.

Adams: Thank you very much.

Ames: Now I will turn it over to Jack and Dina.

Adams: This is even more details. And I think that this is probably the, the long list. So, let the dance begin.

Jack Graham: Mayor Adams, commissioner, Jack Graham, CAO. I want to talk a bit about the fiscal implications of the deal. I want to start off to say that council's directions, decision to keep the VMC open is key to how we have been viewing the future of the Rose Quarter, and the deal points. Now that we have the deal points, for the renovation are complete, fiscal implications have become much clearer. As I indicated, when we first started this project, that we had anticipated that the deal would not place an increased risk to the spectator facility fund, or the general fund. Based upon a deal that you have in front of you today, the project cost to the spectator fund is greater than originally anticipated. But, I believe that it's totally manageable. The project cost to the spectator facility fund is greater due to the following reasons. One, there was a 4.4 million loan from pdc. And the increase commitment to repair maintenance and capital improvements on an annual basis, and the sharing of net operating losses. I just want to briefly go into a little detail about each of those three that I mentioned. The loan, the way that we mitigated some of the impact, is that we

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have structured the repayment of the loan to minimize the impact on an annual basis, which would be \$338,000, but that's not going to be starting until 2018, so that gives a lot of time for things to occur. That's if we go to minimize that impact to the spectator's fund. Maintenance and repair, the fund will be responsible for covering up to \$250,000 of repairs that will, will include inflation. And I feel that this is a wise continuing investment in the building so that we can maintain the capitol infrastructure, and also to prevent potential costs in the out years. Betsy, during the staff presentation, talked bit about the sharing of net operating losses, but I want to repeat that again. Because the city will be responsible if portion of the net operating losses. Up to \$250,000 a year. And under the city pam operating agreement, we will be able to recover losses from operating profits and subsequent years so there is the ability to have a, a recovery of those losses. Like I said, I think that these increased costs are manageable, and I think that, that it is going to be benefit for this whole project. I want to point out one thing that's not totally associated with the project, but I think council need to be aware of it, is that we have concerns regarding the health of the fund based upon some outside factors that are not related to this project. They are primarily associated with any decrease in the revenue fees as a result of the blazer fees. The blazer fees are the largest source of revenue to the fund. We believe that it will pose some risk to the spectator's fund. In the year probably 2016-2017, 2017-2018, and we'll be monitoring that to get back with council. These are the things that --

Saltzman: Why is that?

Graham: Just the fact if there is a decrease in attendance, we get less dollars for the user fees, so that will go down, so a lot of it is based upon the performance of the lasers, and what occurs in that time. So, we monitor that all the time. And we are saying that our projections are taking that into consideration. But I wanted to make sure that the council is aware of that, that is totally outside of our control, but, you know, we need to let you know that -- as you know, when the nba went on strike for half season, that had an impact on revenues. So I want to keep that in the forefront of council that there are risks that are not associated with this project. But there is risks that we have to take into consideration as we move forward.

Adams: I don't mean to hammer on it, but one reason I put the event district to diversify funds back into the spectator fund that seems totally fair, given that the cars wouldn't be there if there were not events at the rose garden arena or veteran's memorial coliseum.

Graham: Thank you. So I wanted to lay out the risks and tell you that while this deal is at no risk to the general fund, I believe that, or the spectator's fund, I feel that the risk that I outlined are manageable. And I think that what this does by implementing this, this project, it does meet the, the, original intent of council would be to keep the spectators -- I mean, the vmc open, and as a venue, for the sports events, community events, and as a tribute to our veterans. So I will turn it over to dina to talk more about the legal aspects.

Fritz: Do we have any estimate of how much more taxes we'll get from having the women's soccer team franchise?

Graham: We are working on those numbers. Our initial estimates, and this is a rough estimate, is that once we look at the ticket price and is projections, I think it's about \$100,000 annually. There are 11 games. I think that we have projected it, the ticket fees, you know, right now at \$20 a ticket. So, we're looking at that, and we're hoping that the team is successful.

Fritz: It will be successful.

Graham: Oh, yes, ma'am. It will be successful.

Adams: Playoffs, playoffs. That's where we make our money.

Graham: We'll be updating those, but that's the plan.

Fritz: But something that we were not expecting at the beginning --

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Fish: And I don't want to complicate that but they have not decided they are going to play at Jeld-Wen because they are anticipating 3,000 to 5,000 fans, they may play at the university of Portland, Concordia or other venues, as well.

Graham: I think it would be a status quo, but we'll root for them being at Jeld-Wen.

Fritz: Yeah, really.

Dina Alexander: Mayor and commissioners, I am Dina Alexander.

Fritz: I think they should play at Jeld-Wen, sorry go ahead.

Alexander: Dina Alexander, Radler White Parks and Alexander outside counsel to the city on this transaction. The mayor's office offers asked me to go through the redevelopment agreement and the project funding agreement with you, section by section. I will keep in mind --

Adams: Just as punishment. [laughter]

Fish: Something that commissioner Leonard said earlier, given the day that we had yesterday and today, I am happy to -- I have a lot of questions. I am happy to go through that, mayor. I'm not sure that you have the freshest council. You are creating a record, but I'm not sure that --

Adams: I'm happy to do -- you are right. We have taken up our allotted time.

Fish: It might be to a point where even commissioner Leonard is having trouble keeping up.

Adams: We also have one person signed up. Ok.

Leonard: I didn't think that we were going to take testimony. We are taking testimony?

Adams: One person signed up.

Fish: So, maybe you could do this and come back do my question?

Adams: Would you excuse us while we take testimony. You might not have to do your interpretive dance through the notebook.

Alexander: I will do whatever is your pleasure.

Adams: Thank you, ma'am. Mr. Frey would you like to come forward and while Mr. Frey is coming forward he's a veteran that has first hand history of the building of the coliseum and has attended every meeting that we had as the stakeholder advisory committee and spoke at each one. Commissioner Fritz and I had an opportunity in our rededication of the memorial gardens to meet Mr. Frey's family, and it's great -- I just want to thank you for your advocacy on this building. I am glad that you are here.

Gil Frey: Thank you, your honor. I am Gil, Gil Frey. And I am a veteran of the Korean War. Although, I served in Germany. With three minutes to talk, and short notice, I decided to award our mayor a thank you. In the form of a legacy certificate. The memorial coliseum is preserved and renamed Veteran's Memorial Coliseum. Your honor, your legacy is accomplished on this issue. I have added many others who have been supportive of my efforts at some time or another during the last 12 years. I will share these names as long as time permits. And I decided that I would check off 15 names. And leave the rest unless you would like to hear them. Amanda Fritz, Dan Saltzman, Randy Leonard.

Leonard: I made the list. [laughter]

Frey: You made the list, you voted yes, in one of those elections.

Leonard: Wow. [laughter]

Fish: You're being generous Mr. Frey. Let's move on.

Frey: Lance Duncan, who attended many meetings, and been very supportive of all of my efforts all along, Coach Duncan.

Leonard: Yep.

Frey: Trudy Riser, Ken, Dale, Paul, Terry Scott. Marilyn McGaben, Brian Perry, Phyllis, Michael Mach, Peter, Doug Oblitz, Al Peters. General Fred Rosenbaum. With that, I think that I will let it go unless you would like to hear more.

Adams: I think you skipped over one.

Frey: I didn't mean to do that.

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Fish: I heard it.

Frey: Nick Fish.

Fish: I tried to close the record after that.

Leonard: If I made it, he certainly made it.

Frey: I will go and rattle off a number more. Ken and George and Howard Frey, my brother, and Ken Buckles, Lou Barrett, Terry Emert, Mary Gifford, Jim Gal Began, and Samuel Haynes, and Orville Herman, Ralph Hatley. Ty Kovac, John Murphy. Misty Oiler, John Ogel. Harvey Plat. Norm Stewart, Jim Smith, Tom Tedford, Bill Schonley, Steve Winstead, Ed Zumal. John Adams, Jesse Lot. Leroy Cameron, Bill Scott, Marilyn Clint. Stuart Emmons, Jim Flynn, Lee Flagel, George Hocker and Nicolle Heff. And that does leave out some people that I would like to add to the list, but I have certificate here for each of you, and do you want me to hand them out to you right here?

Adams: Sure. We'll let him, as an esteemed veteran --

Frey: Thank you very much.

Adams: It was my honor.

Frey: This is a draft copy, when it gets revised.

Adams: Thank you very much. Thank you very much.

Frey: Amanda.

Fritz: Thank you.

Frey: You voted yes.

Leonard: Thank you. Very humble certificate.

Adams: These are awesome. It's heartfelt.

Frey: Thank you very much.

Adams: Thank you, Mr. Frey. So if it's the pleasure of counsel, starting with Commissioner Fish, go down the line and we'll get questions out there that staff work on or answer if they are short. And we'll come back at it. And have more conversation and discussion at our next meeting.

Fish: Mayor, I am, given the hour I would be pleased to put the questions on the record and get answers later. If that's the preferred option. Thank you for very detailed and clear and thoughtful presentation. I have a number of questions, and they are not in any particular order. The first is, Betsy, you identified the, Betsy, you identified the percent for the art program would fund the, the veteran's memorial garden renovations and upgrades. The question I just wanted to pose is if we wanted to maximize that contribution, as I know it does not generate heck of a lot, but if we wanted to maximize it, could we, in effect, waive the requirement that it go through race and, and in other words, that they not take out an administrative portion? And put the whole amount into the memorial since my understanding is that will be done by PDC anyway, so it is a question of whether we have that authority. I believe that adds over \$100,000 to the pot. That's a question. The description that we have received of the VMC renovation project and the option agreement and Rose Quarter event parking, the two components of this. I want to ask just a very basic question to help guide my thinking about this. And that is, if it is the decision of the council to move on the 1st but not the 2nd, does the deal still stand? In other words, can we support the VMC renovation project without addressing the option agreement and Rose Quarter event parking now, and what's the plus and minus of that approach? How does that enhance our risk, and what, if I could just have some comment on that. I looked through the TMA, and I have become a minor expert on TMA, recently. Very minor. But, the question that I would like to know a bit more about from our friends at Pbot, is the Mayor would call them a tranch. I'm trying to think of the right word. Once the funds are expended in the district, the expanded district, and for the allocated purposes, what happens to any surplus and how is that allocated and to what extent do we have discretion to allocate that money. Or does it automatically go to someone into a pot. I've been thinking about this idea that we're transferring city property, and I asked, I think, Scott or Jack in our briefing, how it ever came to city ownership, because I think a lot of people would have assumed it was in PDC ownership because of

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the district. But that, notwithstanding, because it is city property, presumably it has a value, and this deal is transferred for no value. And then it can be developed or disposed of, and the proceeds go to pdc. Now, the benefit to pdc is, as I understand it, those are, those are unencumbered dollars that can be spent within or without the district because they are not tif. But I would like a sharper understanding of what's the value of the property that we are transferring. And, and I have just, I guess I have not gotten my hands around this piece, which is if we did not transfer that property, and it stayed with the city, what options does the city have for that property? If we kept it and developed it, does that generate funds, which will come into our general fund? And could be used for any purpose? And so, what's the difference between the city capturing that money and having those, knows proceeds to spend on its budget, versus taking them out of the city's portfolio, giving them to pdc? Presumably, there is some, both value of the dirt and some prospective future value of the dirt that the city could just as easily realize. I want to quantify that, if I could. I had asked question of one of you privately about, if we pulled the plug on the whole thing, what happens on the tif side? I believe a future colleague raised that question. And the answer you gave ought to be on the record. Is it the bonds have been sold? So the money is to be allocated within the district. We can not unwind that, so there is money to be spent. That's really the question about how we spend it.

Adams: For the record, you know this, but for the record, that was as part of the earlier action of council in preparation for this proposed development agreement.

Fish: The reason I raise it, is because I have heard this issue about why not unwind it, I think it's fair to say we have gone down that path. I just don't want that to hang out there as --

Andrews: The preview question, it's more appropriate for us to answer them later but that particular question, I think, we can answer in that because the district was, was up against the date you could no longer issue debt. So, generally, we wait, you know, until there is a real need for it, in this case, we had to or we would not have it available for this project or any other.

Fish: That was done with the full concurrence of the council, but that's not generally known so I wanted to make sure that people understood that. I have had couple people ask me why, why pdc and not some other entity. And I would like to just get your thoughts, for example, why not merc? Why is pdc better suited to doing this than merc since merc does have a traditional role with other assets of ours than just the why. I was thinking when you were talking about the tma, and I tried to follow the boundaries on the map, but I was not clear about what the impact of the extension of the tma would have on Portland public schools. And the parking that parents and other users of that facility have at Blanchard. I'd like to know more from pbot on that. Because that's, actually, where I often park when I go to those events. Their lot is often full. But, I didn't know whether the lines covered that, and that was controlled parking, which --

Adams: We'll get back to you.

Fish: For a number of reasons I understand we're going to move off our green building standards for this phase. And I think, because that might capture some people's attention, I would like to have the clear answer as to why. And I think that I understand but I want to have something in writing that explains the decision we made.

Adams: We can quantify that reasonably well I think. In terms of what it would take, financially, what it would take.

Fish: I appreciate your patience. And I guess, finally, the philosophical question, in the last few years, pdc has evolved as an agency. And with the, the projected decline in tif, pdc is forced to almost reinvent itself and become a more entrepreneurial agency and find other kinds of revenue sources and other tools in its kit, and i'm just interested, perhaps, at a future council, just talking a bit about what scott, this experience for you, has sort of suggested about that future role. Because a future council and new mayor is going to be thinking about this. I would just welcome a chance to

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hear your thoughts about how pdc might do the business differently based on what you have learned from this experience, because I think that it's --

Andrews: It's interesting you ask that question today since I spent all morning at our retreat, and we, actually, introduced mayor-elect haes to the outline of how we would be moving forward. So, I am sure that we will be coming both to you, all of you individually and council to give you that picture. In the next few months.

Fish: So those are the questions. Couple of big philosophical questions, which I would like help, particularly about whether the two matters can be separated. And what are the pluses and minuses. And then some specific, and I would be pleased to get your feedback next week.

Adams: Any questions?

Fritz: Those were great questions, and commissioner Fish, and I appreciate getting them on the record. I recognize how very difficult this has been, so thank you for hanging in there and for not giving up and for getting to this point, where it's before the council and public, and we're figuring out what to do next. With the [inaudible] from the national hockey league. We will overcome that. I appreciate your points on that, commissioner Leonard, in terms of unfairness. So we will work on that. I am wondering why these two deals are tied together, and there can be a more explicit statement to that for the public, that would be helpful. And pleased to see the parking proposal separated out into a second step. And as I mentioned, and commissioner Fish reminded me, I would like to see some way found for perhaps Portland public schools to rent out the blanchard parking for the event parking, and either they keep the revenue or the spectator fund does, but regardless, it should be something that, this nearby establishments should be able to do as some folks know, i'm a big ducks' fan. And they have 5,000 parking spots, I think it is, for 60,000 people visiting. Part of the reason that works is because nonprofits are able to rent out their parking spaces for the games. And I hope that the parking system will include a traffic management system similar to what they do in eugene on event days because that might be a mechanism to discourage people from parking in the district. It also is problematic if you are trying to get through that district. And not necessarily going to the game. With the excess, so I appreciate that. I have a secondary question in response to commissioner Fish's regarding would we legally need to declare the property being transferred to surplus? Does the council need to do that? Can the Portland development commission sell the property once it is transferred. And again, more explanation about how the taxpayers' money, that is coming from the urban renewal district, will be used to benefit taxpayers in the urban renewal district moving forward. I think that there is a lot of benefit to redevelopment, renovation of the veteran's memorial coliseum, and also to revitalization of the rose quarter. I think that we need -- I would like more discussion on how do we make sure that benefits the businesses and people who live from the district as well as the wider community. I think those are my questions for now. Thank you very much.

Adams: We will be considering -- we'll be having more discussion next week, so I really appreciate everyone's work. And we are adjourned for the week. [gavel pounded]

Andrews: I want to apologize in advance, I will be working very hard on trade mission next week. So I will be thinking about you. But I have some very efficient and well qualified staff that will answer all your questions. Thank you.

Adams: Thank you.

At 5:15 p.m., Council adjourned.