



CITY OF
PORTLAND, OREGON

OFFICIAL
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **27TH DAY OF MAY, 2015** AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fish, Fritz, Novick and Saltzman, 5.

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

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

COMMUNICATIONS		Disposition:
517	Request of Katherine Smith to address Council regarding Portland police (Communication)	PLACED ON FILE
518	Request of Neal Walker to address Council regarding PTSD recovery progress and current housing (Communication)	PLACED ON FILE
519	Request of Jacob Lewin to address Council regarding parking enforcement (Communication)	PLACED ON FILE
520	Request of Rev. Margaret Hepziban to address Council regarding truth and justice (Communication)	PLACED ON FILE
TIMES CERTAIN		
521	TIME CERTAIN: 9:30 AM – Declare intent to initiate local improvement district formation proceedings to create a local improvement district to construct street, sidewalk and stormwater improvements from NW Raleigh St to NW Upshur St in the NW 20 th Ave Local Improvement District (Resolution introduced by Commissioner Novick; C-10049) 30 minutes requested (Y-5)	37125
522	TIME CERTAIN: 10:15 AM – Proclaim May 27, 2015 to be a day of recognition for Grant High School's Constitution Team (Proclamation introduced by Mayor Hales and Commissioner Fish) 15 minutes requested	PLACED ON FILE

<p>CONSENT AGENDA – NO DISCUSSION</p> <p>Mayor Charlie Hales</p> <p>Bureau of Planning & Sustainability</p>		
<p>*523</p>	<p>Authorize application to Metro Regional Government for a package of five grants for a total amount of \$1,559,500 as part of the Community Planning and Development Grant program (Ordinance) (Y-5)</p>	<p>187137</p>
<p>Office of Management and Finance</p>		
<p>*524</p>	<p>Ratify a Letter of Agreement between the City on behalf of the Bureau of Emergency Communications and the American Federation of State, County and Municipal Employees Local 189 that allows employees in the Emergency Communication Support Specialist Classification to trade full or partial shifts of less than a FLSA workweek (Ordinance) (Y-5)</p>	<p>187138</p>
<p>Commissioner Nick Fish</p> <p>Position No. 2</p> <p>Bureau of Environmental Services</p>		
<p>525</p>	<p>Authorize grant agreement awarding up to \$73,000 in FY 15/16 to Southwest Neighborhoods, Inc. to provide outreach, technical assistance and community involvement for watershed projects in Fanno and Willamette watersheds (Ordinance)</p>	<p>PASSED TO SECOND READING JUNE 3, 2015 AT 9:30 AM</p>
<p>526</p>	<p>Authorize a contract with AT&T Corp. for the Inner NE Sanitary Sewer Extension Project No. E10205 and the payment of \$37,667 (Second Reading Agenda 503) (Y-5)</p>	<p>187139</p>
<p>Commissioner Dan Saltzman</p> <p>Position No. 3</p> <p>Portland Housing Bureau</p>		
<p>527</p>	<p>Accept a grant of up to \$6,000 from MPower Oregon for energy efficiency improvements at 1103 SW Stark St (Ordinance)</p>	<p>PASSED TO SECOND READING JUNE 3, 2015 AT 9:30 AM</p>
<p>528</p>	<p>Adopt and authorize the submission of the Action Plan FY 2015-2016 for the Community Development Block Grant, HOME Investment Partnership, Emergency Solutions Grant, and Housing Opportunities for Persons with AIDS Program to the U.S. Department of Housing and Urban Development (Second Reading Agenda 504) (Y-5)</p>	<p>187140</p>

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Commissioner Steve Novick

Position No. 4

Bureau of Transportation

***529** Amend Intergovernmental Agreement with Oregon Department of Transportation for the Tryon and Stephens Headwaters Neighborhood St Plan Project to increase the grant amount by \$20,000 (Ordinance; amend Contract No. 30004042)
(Y-5)

187141

530 Authorize an Intergovernmental Agreement with the Oregon Department of Transportation, Metro, Multnomah County, Washington County and Clackamas County for preparing a Regional Over-Dimensional Truck Route Study (Ordinance)

**PASSED TO
SECOND READING
JUNE 3, 2015
AT 9:30 AM**

REGULAR AGENDA

Mayor Charlie Hales

531 Proclaim May 27-June 1, 2015 to be 28th Annual Great Blue Heron Week (Proclamation introduced by Mayor Hales) 10 minutes requested

PLACED ON FILE

Bureau of Planning & Sustainability

532 Revise residential solid waste and recycling collection rates and charges, effective July 1, 2015 (Second Reading Agenda 514; amend Code Chapter 17.102)
(Y-5)

187142

Office of Management and Finance

***533** Authorize a borrowing of not more than \$31,885,000 in anticipation of the Fire and Police Disability and Retirement Fund levy for fiscal year 2015-2016 (Ordinance)
(Y-5)

187143

534 Grant a franchise to Qwest Broadband Services, Inc. dba CenturyLink to operate a Cable System (Second Reading Agenda 407)
(Y-5)

187144

Commissioner Nick Fish

Position No. 2

Bureau of Environmental Services

535 Authorize a contract with the lowest responsive bidder for construction of SW Stephenson & SW Hamilton Drainage and road shoulder improvements BES project E10131 for \$560,000 (Ordinance) 10 minutes requested

**PASSED TO
SECOND READING
JUNE 3, 2015
AT 9:30 AM**

<p>536</p>	<p>Revise sewer and stormwater rates, charges and fees in accordance with the FY 2015-2016 Sewer User Rate Study (Second Reading Agenda 515) (Y-5)</p>	<p>187145</p>
<p>Water Bureau</p>		
<p>537</p>	<p>Authorize the rates and charges for water and water-related services during the FY beginning July 1, 2015 to June 30, 2016 and fix an effective date (Second Reading Agenda 516) (Y-5)</p>	<p>187146</p>
<p>Commissioner Steve Novick Position No. 4 Bureau of Transportation</p>		
<p>538</p>	<p>Revise transportation fees, rates and charges for FY 2015-16 and fix an effective date (Second Reading Agenda 495) (Y-5)</p>	<p>187147</p>
<p>Commissioner Amanda Fritz Position No. 1 Bureau of Development Services</p>		
<p>539</p>	<p>Amend fee schedules for site development and enforcement (Second Reading Agenda 494) (Y-5)</p>	<p>187148</p>
<p>Portland Parks & Recreation</p>		
<p>*540</p>	<p>Amend fee schedules for tree permits in development situations (Ordinance) 30 minutes requested (Y-5)</p>	<p>187149</p>
<p>*541</p>	<p>Accept the South Waterfront Greenway Central District Improvements Project No. P00193 constructed by James W. Fowler Co. as complete and authorize final payment in the amount of \$1,001 (Ordinance; Contract No. 30002713) 15 minutes requested for items 541 and 542 Motion to add emergency clause: Moved by Fish and seconded by Fritz. (Y-5) (Y-5)</p>	<p>187152 AS AMENDED</p>
<p>542</p>	<p>Transmit evaluation report on the alternative contracting method for the South Waterfront Greenway Central District Improvements (Report; Contract No. 30002713) Motion to accept the report: Moved by Fritz and seconded by Fish. (Y-5)</p>	<p>ACCEPTED</p>
<p>543</p>	<p>Accept Park System Development Charge Methodology Update Report for implementation and amend the applicable sections of City Code (Second Reading Agenda 510; amend Code Chapter 17.13) (Y-3; N-2 Saltzman, Novick)</p>	<p>187150 AS AMENDED</p>

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City Auditor Mary Hull Caballero

544

Amend Code to eliminate barriers to accessing administrative appeal processes, including establishing a minimum notice requirement and limiting fees charged to initiate an appeal (Second Reading 512; add Code Chapter 3.130; amend Code Chapter 22.10)
(Y-5)

187151
AS AMENDED

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

May 27, 2015

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **27TH DAY OF MAY, 2015** AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fish, Fritz, Novick and Saltzman, 5.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Denis Vannier, Deputy City Attorney; and John Paolazzi, Sergeant at Arms.

At 3:02 p.m. Council recessed the meeting as Budget Committee and reconvened as Portland Development Commission Budget Committee.

<p>545 TIME CERTAIN: 2:00 PM – Approval of the FY 2015-16 Budget for the City of Portland (Mayor convenes Council as Budget Committee) 45 minutes requested</p> <p>Motion to approve budget adjustments in City Budget Office memo, Attachments B, C and D dated May 21, 2015: Moved by Fish and seconded by Fritz. (Y-5)</p> <p>Motion to approve the budget as amended: Moved by Fish and seconded by Novick. (Y-5)</p> <p>Motion to approve the tax levies: Moved by Fritz and seconded by Saltzman. (Y-5)</p>	<p>Disposition:</p> <p>APPROVED</p>
<p>546 TIME CERTAIN: 2:45 PM – Approve the Annual Budget for the Portland Development Commission for FY 2015-2016 (Mayor convenes Council as Portland Development Commission Budget Committee) 15 minutes requested (Y-5)</p>	<p>APPROVED</p>

At 3:16 p.m., Council recessed.

May 28, 2015

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **28TH DAY OF MAY, 2015** AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fish, Fritz, Novick and Saltzman, 5. Commissioner Saltzman left at 5:46 p.m.

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

<p>547 TIME CERTAIN: 2:00 PM – Appeal of Portland Water Bureau and Mt. Tabor Neighborhood Association against Historic Landmarks Commission’s decision to approve with conditions a proposal to disconnect the Mt. Tabor Reservoirs from the public drinking water system at Mt. Tabor Park located at 6325 SE Division St (Hearing; LU 14-218444 HR EN) 4 hours requested</p>	<p>Disposition:</p> <p>CONTINUED TO JUNE 25, 2015 AT 2:00 PM TIME CERTAIN</p>
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At 5:52 p.m., Council adjourned.

MARY HULL CABALLERO
Auditor of the City of Portland



By Karla Moore-Love
Clerk of the Council

For a discussion of agenda items, please consult the following Closed Caption File.

May 27, 2015
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.

MAY 27, 2015 9:30 AM

Hales: Good morning. Welcome to the May 27th meeting of the Portland City Council. Would you please call the roll?

Fish: Here. **Saltzman:** Here. **Novick:** Here. **Fritz:** Here. **Hales:** Here.

Hales: Welcome, everyone. We're going to start with communications items and then go to a couple of time certain items. We'll deal with Council procedure a little later, but first, we'll hear from individual citizens who have signed up to speak starting with 517.

Item 517.

Hales: Good morning.

Katherine Smith: Good morning. My name is Katherine Smith, and I'm addressing this mainly to Mayor Hales, but it's good for the Portland City Commissioners to hear --

Fish: Excuse me -- can we have regular order? I don't think we allow people to stand --

Hales: Yeah, you can't do this -- go have a seat. Anywhere in the auditorium you'll welcome to have a seat.

*****: [indistinguishable]

Hales: Yeah, back behind the columns if you want to film. Go ahead, please.

Smith: OK. Dear Mayor Hales and Portland City Commissioners, I am back here again because those same Tigard cops -- about eight to 10 of them -- are still shooting me with microwave, ultrasound, voice-to-skull command weapons, machine sleep deprivation remotely 20 to 24 hours a day for more than three years and several years before that, but shooting me less often. They tell me every day, they shoot my son when he's sleeping with these to give him cancer. Their intent is obviously to murder us. My ex-Tigard neighbor lady participates in this by telling them also -- those Tigard cops -- where to shoot us daily or how to harass us. Since I have lots of experience with being tortured, burned, etc., and reporting it, I know that the way to stop these assaults is to report it to the police. They collect evidence, arrest and prosecute. The other people that your City employees have referred me to don't have authority to make the Portland cops do their duty to protect me and my son. They mainly shoot me in Portland because I live here. It sure seems like some of your City employees don't want Portland police to have anything to do with my case, because some of them -- cops -- purposely ignore and suppress my evidence and reports. And that is called hindering prosecution. Also, by not doing anything to stop those Tigard cops, they are facilitating these attempted murders. Why would you do that? Why would they do that, you might wonder? As I've said before, some of the crooked cops don't want the public to know they have these kinds of weapons that can work through the walls and be set up remotely to use on anyone they choose, including kids. Some of the Tigard cops said that they harass lots of kids out of school, and that they are the main reason for Oregon's very low graduation rate. This may sound very unusual to some of you, but if you know what kind of harassment and trauma that some of the Tigard cops enjoy, you will know this is a very good possibility. The Oregon cops also have signed a confidentiality agreement to not discuss these weapons with the public. But Mayor Hales, you are the Police Commissioner, and so they can discuss these weapons and my case with you. Somebody is giving you very bad and negligent advice, it seems, telling you to not talk to

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Portland police directly, but they rather refer me to IPR, Tigard police department, City of Tigard, Project Respond, or Portland Women's Crisis Line. And at least one of your City Attorneys I've heard is telling Cindy Reyes, your assistant, to not let me have a meeting with you with no justification -- [beeping] --

Hales: Katherine, you're out of time. Thank you very much. You take care.

Smith: Can I ask you this last question? Can you please tell me the legal reason for not addressing this issue?

Hales: Katherine, you're out of time, thank you --

Smith: You don't wanna answer it --

Hales: Thank you very much --

Smith: OK, you're avoiding my questions.

Item 518.

Moore-Love: He informed us he will not be speaking today.

Item 519.

Hales: Good morning, welcome.

Jacob Lewin: Good morning, thank you. Haven't been here in a while. Really like the new vegetable garden downstairs. My name is Jacob Lewin. On Thursday, April 9th, just before 7:00 p.m., I interacted with a parking enforcement officer on NW Davis near Broadway. I had pulled into a loading zone at 6:55 with the intention of staying with the car until 7:00 in case a truck needed the space. I understand that I did not have the right to park there at that time. Within seconds, a parking enforcement officer approached and I asked politely if I could stay in the space. He said because I was arguing with him, he was going to give me a ticket. I was not arguing, I told him if he had told me I couldn't stay, I would have left and said nothing more. He then launched into a condescending tirade saying how could he arbitrarily let someone stay in that space? Should it be just because I was white? I said if he was looking for criteria to use as discretion, he could consider it was 6:55, there was a vacant parking space just ahead, and that if I stayed with a car and a truck came, I could then move and make way. He said it would be illegal for a truck to stop and wait for me to leave. I then rolled my eyes -- it's true, I rolled my eyes -- and he said, "now, you're rolling your eyes" and said he would issue me a double warning -- whatever that is -- and that I had better be careful because as soon as an officer spotted my car out of compliance in any way, I'd get a ticket. He then said he was a decent person and I could become one, too. I said "thank you" and left and he stomped off.

Well, I understand when you give people power to levy fines it can go to their head and their arrogance emerges. The job description calls for the ability to remain calm and professional during verbal abuse and threats, but there was no verbal abuse from me. The officer was clearly trying to intimidate me. What does the City do when it's hiring to make sure the candidate can remain calm and professional? Portland's been growing fast. Maybe we're losing our civility, but I don't want to let it go easily.

This also would apply to all the other City positions where public interaction is necessary and where the employee has a measure of power. It would be a good time to review how hiring is done for parking enforcement, since there is a possibility of a new wave of hiring coming. Thank you.

Novick: Mr. Lewin, can you say again exactly where and when that occurred so I can try to figure out who was working that beat?

Lewin: Sure. Thursday, April 9th, 6:55, NW Davis near Broadway.

Novick: Near Broadway.

Lewin: Yeah. Thank you.

Hales: Thanks very much. Appreciate you bringing this to our attention.

Item 520.

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Hales: Ms. Hepziban, are you here? I guess she's not here. We'll move on to the regular calendar. Let me just make some basic comments about rules of procedure.

The purpose of the City Council meetings is the orderly consideration of the public's business. Preservation of order and decorum is necessary for due consideration of these matters by Council. The public is welcome to attend Council meetings. During the meeting, there will be time limited opportunities for public comment on various agenda items. Although citizens can sign up for communications, public testimony on a Council calendar item must address the matter being considered on that item. If you're here to testify, please just state your name for the record, we don't need your address. If you are a lobbyist registered under the City's Code, please disclose that information at the start of your testimony and let us know what organization you're representing, if you're here on behalf of an organization. Unless otherwise informed, each community member will have three minutes to speak in front of Council. At two minutes and 30 seconds, you'll hear a beep and a light will flash on the box before you. At three minutes, you'll hear four beeps and the lights will flash again. That's the time for the next person to speak.

We ask that you respect the time limits so there's time to hear from everyone who signed up to speak. If you have handouts, please give them to our Council Clerk and she'll distribute them to Council members. Any conduct that disrupts the meeting -- for example, shouting during other people's testimony or interrupting testimony -- will not be allowed. If you're interested in showing support for fellow citizens, feel free to give a thumbs up or a wave of the hand. If you disagree, you're free to do the opposite as well, but we're trying to create an atmosphere in this chamber everyone here has their say and where politeness is observed. This is a warning that anyone disrupting that process may be escorted from Council chambers and excluded from City Hall.

If needed, the Council will take a half hour break at either 12:00 or 12:30, depending on our schedule, and I'll announce that before we take the break.

With that, let's move to the consent calendar. I don't believe we have anything withdrawn from the consent calendar, is that right? No members want to remove anything. So, a roll call on the consent calendar as printed, please.

Roll on consent agenda.

Fish: Aye. **Saltzman:** Aye. **Novick:** Aye. **Fritz:** Aye. **Hales:** Aye.

Item 521.

Hales: Commissioner Novick.

Novick: Colleagues, welcome to another episode of "Andrew Aebi magically solves problems."

Andrew Aebi, Portland Bureau of Transportation: Thank you very much, Commissioner Novick. Good morning, Mayor Hales and City Commissioners. Andrew Aebi, local improvement district administrator. Pleasure to be here with you this morning. Karla, can we go ahead and switch to the presentation?

This is an aerial view of the Con-way properties in Northwest Portland near the U.S. 30 ramp. This picture was taken about 2012 -- don't have an exact date on that picture -- but this gives you a general aerial overview of where the project is located.

This is the area of Con-way properties that underwent a master planning effort over the past few years. And Con-way worked very closely with the Northwest District Association on developing that master plan, and also of course worked with PBOT and ODOT and other partners. The blocks that you see identified here are blocks that are going to be redeveloped. These blocks are for the most part currently surface projects.

This LID is one of relatively few we have that have 100% petition support. It's also the first street LID that I've brought to Portland City Council in Northwest Portland since the

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Northwest 13th Avenue LID a little less than 10 years ago. And I'll mention something briefly on that in a minute.

One thing I would just call your attention to -- on the LID boundary, it's a little bit gerrymandered here. The intent was not to make it look like an artfully mastered congressional district, but rather the scope of improvements is broader than just NW 20th Avenue. We're looking at making some improvements along the freeway frontage roads, and most importantly, we're looking do two things. We're looking to reconstruct NW Thurmond Street between 20th and 21st Avenues. Currently, that's a dead-end street. We're looking to make improvements to NW 23rd Avenue south of Vaughn Street.

This is the objective of the project. The ideal for this project originated at the neighborhood level from the Northwest District Association -- and they are here to speak today. What we currently have -- when people drive to Northwest Portland, there's a really bad wave on Interstate 405 as you come off the Fremont Bridge and head on 405 southbound. So, what we've been finding is some of the people who would otherwise just simply stay on 405 to say, exit at Everett/Glisan or Burnside/Couch -- what they often do is take the U.S. 30 ramp up here to NW 23rd and Vaughn where they currently make a legal U-turn. They come back on U.S. 30 to get on 405, and that puts them in the right lane to take either the Everett/Glisan or the Burnside/Couch exit.

The red line is where some of that traffic is going today, and the green line shows the new circulation we're looking to add with this project. Instead, people coming up the U.S. 30 ramp can come up 23rd and Vaughn. If they're trying to get into the Northwest district, instead of making a U-turn or a left turn at 23rd, they can make a right at 23rd and make a right on Wilson. You can see where that green line is the new NW 20th connection and gives them a new way to get into the district.

So, here's a real-life example of what the traffic looks like coming on the U.S. 30 ramp. You can see the cars backed up there on the left side of the freeway waiting to make that U-turn at 23rd and Vaughn. And that will be eliminated with this project.

Fritz: That will no longer be allowed?

Aebi: The left turn will be still allowed, but the U-turn will be eliminated. Thank you for allowing me to clarify that.

This is another view of that new connection shown in green and you can see where the Con-way side is. What's important to note is that this is not just simply adding vehicle system capacity, but we're also adding a multimodal connection. What we're planning to do is to add bike lanes to this new NW 20th Avenue connection under U.S. 30, and also build sidewalks with ornamental street lighting and make it an attractive environment not only for people to drive but also to walk and to bike as well.

Here's a financial recap of what the LID looks like. Keep in mind that the costs that I'm presenting to you this morning don't include right-of-way costs, which we will note will most likely be added to the LID formation ordinance come June of this summer. The project costs exclusive of right-of-way are \$4.3 million. We are offering -- PBOT is offering SDC credits to Con-way equal to 25.7554% of project cost, or about \$1.7 million will the ineligible portion being \$2.6 million.

The best way to think about this is Con-way gets roughly a one-quarter credit on their LID, yet they are generating one quarter of the usage of the increased vehicle capacity. Rather than getting a three-quarter credit for the trips served by NW 20th Avenue to properties other than Con-way, they are getting roughly a one-fourth credit.

I wanted to show you here what the existing building square footage is -- about 331,000 square feet. As of 2012 -- and this is subject to change -- but as of 2012, as they were going through their master planning process, they were looking to add about two million square feet of building space. So, if that amount holds, then upon future

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development, Con-way would peak at about 2,338,000 square feet. I looked at a recently sale nearby of a relatively new building built about two years ago that sold I believe last year -- that was about \$265 per square foot. So, if we were to apply that number to NW 20th when these surface parking lots get redeveloped, we could be on the cusp of these transportation improvements enabling 532 million dollars' worth of private development in Northwest Portland. That's not a prediction, but that's just simply giving an example of what we might be looking at.

And then finally, what I wanted to recap for you this morning is less than 10 years ago, we were here closing out the NW 13th Avenue Phase 2 LID, which is seven blocks away from this LID at NW 20th and Raleigh. A couple years ago, I worked with PDC to ascertain the value that the good quality infrastructure that we built added to the Pearl District. Remember, NW 13th was one of the very last areas to develop in the Pearl District. PDC contributed \$861,305 towards that LID. Over nine years, the real market value along NW 13th Avenue went from \$49 million to \$228 million. So, there was \$178 million increase in real market value along NW 13th Avenue with that \$861,000 PDC investment. So, the payoff we got with that PDC investment was worth \$207 of real market increase for every dollar that PDC invested. So, I'm confident we will see equally impressive results with the PBOT investment in the SDC credits -- PDC is not funding this project.

That wraps up my presentation, I'm happy to answer any questions you might have this morning.

Hales: Thanks very much. Questions for Andrew?

Fritz: So, if you eliminate the U-turn, won't that make congestion on 405 more difficult for people what who want to get to Everett rather than Vaughn?

Aebi: We don't think so, because -- and I'll let ODOT speak to this a little more in detail -- but what you have right now is you have cars coming over the Fremont Bridge that add to congestion on U.S. 30 as they wait to make the U-turn. And when they come back around, they're aggravating the congestion as the people that go the correct way on 405 try to do the weave to get over to the exits. I'm going let ODOT speak to that in a little more detail, but we think that eliminating the perverse incentive to make that U-turn coupled with most importantly that right turn movement underneath the freeway really gives people a third option to get into Northwest in addition to the two existing exits that we have now. If there are no more questions, I know we have some folks here to testify.

Hales: Do you have invited testimony, Commissioner? I know there are folks from ODOT and the property owners and the neighborhood here.

Novick: I don't think we formally, did but I think it would be great to hear from ODOT first.

Hales: Thanks very much, Andrew. Come on up. Good morning.

Shelli Romero: Good morning. Hello, Mayor Hales, members of Council. Thank you for the opportunity to provide this testimony before you today. My name is Shelli Romero and I am the area manager west for ODOT region one.

Some years back, ODOT and PBOT began to discuss the new development and expansion of Con-way in the Northwest industrial area, and we referred to a traffic study that was conducted by Kittelson and Associates that showed that the queues on the I-405 off-ramp onto NW Vaughn would dramatically increase without improvements and redistribution and recirculation of traffic by 2035. In part, this is because the left-hand turn lane from the off-ramp onto NW 23rd or the U-turn at NW Thurmond lacked sufficient storage for the anticipated volume of traffic that are utilizing these facilities. So, what you're seeing today is the result of an effort made by many in the development review phase and that's really what laid the foundation for establishing this local improvement district to provide new circulation to the area where Con-way is implementing their master plan.

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ODOT believes that this project has many traffic circulation and safety benefits. One of these benefits is that the new circulation pattern will reduce congestion at the northwest off-ramp in particular for the left-hand turn movements on to NW 23rd and Thurmond and potentially reduce the number of rear end crashes and backups to I-405. This is the second local improvement district project that ODOT has had the opportunity to partner up with PBOT on and to make needed improvements to our transportation system. Several years ago, ODOT contributed funding for the NE 97th green street local improvement district, and the ODOT funding was used to improve a section of the I-205 shared use path where drainage was an issue.

But back to this project. One of the most exciting things about adopting this resolution today is that it reflects collaboration and cooperation and agreement with ODOT, PBOT, the developer, and the neighborhood association to address the future transportation circulation needs. This is a terrific example of public and private partnerships to maximize the efficiency of our existing infrastructure by redistributing traffic to the underutilized far right-hand lanes at the NW Vaughn off-ramp.

Going forward, ODOT will continue to work with PBOT to play an active role in reviewing plans and specifications and aid in the acquisition of permits to help make this a successful project.

In closing, I want to acknowledge the ODOT region one planning and traffic section staff, including Avi Tayar, who's with me today, Marah Danielson; and also acknowledge PBOT staff Kurt Krueger, Bob Haley, and Andrew Aebi for their efforts. Thank you very much.

Hales: Thank you. ODOT really has been working effectively with us, and we want to let you know and hope you take the message back to your colleagues with region one that when you work so cooperatively with these detailed, fine-grain projects in the urban environment, it's very helpful to what the City is trying to accomplish. It's noted and appreciated here.

Romero: Thank you. Will do.

Fritz: Could you further respond to my question regarding the merge on 405 for people coming out of the district? I would never have thought to have taken that ramp and do the U-turn. I have remarked on how many people are stacked up doing that, but that's interesting that that's the reason. What I've experienced is difficulty in getting out at the far right lanes and onto I-5 south.

Romero: Sure. I'm going to have Avi help me out with that one.

Fritz: Thank you.

Hales: Good morning.

Avi Tayar: Good morning. Again, my name is Avi Tayar, I'm with ODOT development review -- the lead engineer. The issue is basically redistributing the trips, I guess, from the off ramp. So rather than utilizing the left turn with the short space provided for the storage, it's taking some of those trips to the right turn lane and basically circulating with three rights to get to more or less the same area.

As far as the U-turn trips, Kittelson and Associates' traffic study indicated there are a lot of short cuts that people -- 405 trips coming southbound basically. Rather than using 405 to continue, using the off-ramp on 405 and Vaughn exit to make the exits and U-turn and come back to 405, possibly saving time or cutting short their storage of waiting in line to basically approach those exists.

Fritz: But if those people decide now that doing a longer route is no longer worth their effort, wouldn't there then be more people staying on 405 and make that spaghetti junction merge even more difficult?

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Tayar: I'm not sure exactly how long that we're trying to save or realistically whether they're saving time by utilizing the U-turn, but in reality, basically the [indistinguishable] on the left turn would be reduced by providing the right turn lane and the recirculation to the right and finding that the U-turn is not servicing. Potentially, if they were trying to get to Burnside, they will be able to do it when the right turn as opposed to the left or the U-turn and going self.

Fritz: I understand how it's better for the Northwest district and it solves the problem at Vaughn and 23rd. What I'm concerned about is on 405 -- if all of those cars now stay on 405 and they're trying to merge to get off at the Couch or Everett Street exits, that's going to make it even more difficult.

Tayar: I'm not sure exactly what the delay was in terms of those trips -- not saying on the que to eventually get exit from 405 and utilizing this U-turn -- it's not going to improve it necessarily, as you indicate, but I don't think it'll be any different than what it has been in the past.

Fritz: Have you modeled that?

Tayar: Kittelson is the one who modeled it, and I don't have the result in front of me.

Romero: One thing we will be doing is ODOT will be closing that -- so when you for the U-turn, that Thurmond offshoot -- and I know what some of the movements in traffic make that U-turn movement to take that Thurman offshoot. And for safety reasons, we're going to be closing that offshoot onto Thurmond. So, any trips generated from that U-turn movement would be eliminated.

Fritz: That's not my concern, my concern is on 405.

Romero: Right.

Fritz: That's a very difficult stretch the road to navigate. Is there any thought of what's going to happen there?

Romero: You know, I think what I would -- just to be honest -- I need to get back to you on that. Why don't I note your question and we'll get you an answer back.

Fritz: Thank you very much.

Romero: Sure.

Hales: Thanks very much.

Romero: Thank you.

Hales: Other questions for Shelli or Avi? Thank you very much, appreciate you both being here. Others that would like to speak on this item?

Moore-Love: I have five other people signed up to testify.

Hales: Good morning, and welcome back to City Hall.

Jeanne Harrison: Good morning. Hello, Mayor and Commissioners, my name is Jeanne Harrison. I'm here representing the NWDA transportation committee, I'm the chair of that committee.

Members of our committee work closely with Con-way and the City to look at how we might best solve the problem of 23rd and Vaughn because we knew that traffic would increase there. And actually, some of our more creative members came up with the idea of the jug handle. And while it might not be intuitive, it does make it a lot easier for people to navigate once they know what to do. I think signage is going to be really important.

What I wanted to do first -- and I forgot -- is to thank Andrew Aebi for taking on the LID project. Although he says he has been working on it a long time, to me, this has gone very smoothly and quickly, and we're really looking forward to having NW 20th built as a complete street with bike lanes and with sidewalks. Thank you.

Hales: Thank you very much. Good morning, welcome.

Craig Boretz: Good morning, Mayor Hales, good to see you, Commissioners. I'm Craig Boretz with Con-way, the property owner. I'm really here to thank everybody -- Andrew,

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Rich Eisenhauer, all the folks at PBOT that worked on this; ODOT; and of course our development team; and the Northwest Neighborhood Association. It was really definitely a collaborative effort, which you all heard about.

I'm excited to get this done. It's one of the next phases in the Con-way master plan, and we've got some really exciting things coming on stream, which you probably heard about. The New Seasons opens up in August -- that's an exciting time as well.

While not being a traffic engineer, I can try to address your question, Commissioner Fritz. Just from experience, I think that if people are doing that U-turn and then trying to get off at Everett or Burnside, with the free right-hand turn off of the 405 down Wilson, they have access to 19th as well as 20th and they can shoot up 19th to get access to Everett and Burnside from that angle. I think that might free up some of the pressure you might just see on 405.

Hales: OK. Questions? Thank you both very much. Did you sign up?

David Davis: Yep, David Davis.

Hales: Come on up. You do need to speak on this particular item. Have a seat, please.

Davis: Alright, I will. So, this is --

Hales: Put your name in the record and speak on this item, please.

Davis: My name is David Davis.

Hales: Thank you. Go ahead.

Davis: And this is in regard to ODOT, right? Well, ODOT's running a lot of these homeless raids --

Hales: This is in regard to --

Davis: And you guys have --

Hales: Sir, sir, excuse me -- I'm going to interrupt your testimony and tell you you're being disruptive --

Davis: [indistinguishable] -- with landscaping --

Hales: You're being disruptive. Let me give you your instructions. Are you going listen?

Davis: What are my instructions?

Hales: Your instructions are to speak to this local improvement district and only to this item, sir. If you have testimony -- sir, OK, you're out of order, you've been warned. You're going to be removed from the chambers. Go ahead.

Davis: [indistinguishable, sound recording from bull horn]

Hales: No, you're going to go, sir. OK. Sorry, folks. Anyone else who would like to speak on this item, come on up.

Moore-Love: I show two more people.

Hales: Good morning.

Tom Di Chiara: Good morning. [inaudible] We are developing several parcels within the Con-way master plan, the New Seasons project which will be later this summer that will also include some apartments, and we are currently working on three additional blocks to the north will contain additional housing, retail, and an office conversion from one of the existing Con-way buildings. So, we're pleased the LID has kept pace with the development, which I think proceeded probably quicker than a lot of people realized or expected, since the master plan was adopted. There's a lot going on today and a lot that will be happening over the coming years, so having these improvements in place roughly coinciding with the delivery of the additional phase could time well.

I'll also just comment a little bit on our experience with construction on the first projects. We've been using the jug handle route to route our construction. With the NWDA, we did a lot of planning to mitigate traffic going through the neighborhood. So, our construction traffic has been using that route. So while it is a little counterintuitive today, it's actually worked really, really effectively to get trucks out of the district without going down

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23rd. I think that should not be understated. When that route that becomes more visible and signed, it's going to have -- it's going to provide a great alternative for people to get into the district.

Just a final thought. I want to commend Con-way for agreeing to shoulder the burden of this LID and be the bank, essentially, until the individual parcels are developed. We're shouldering our portion of it for the projects that we're doing, but we could have gone through a much larger process and expanded the contributors to the district. The fact that Con-way has agreed to do that despite only contributing a share of the demand is something that should be stated for the record, and I think that speaks to Con-way's commitment to the neighborhood. Thank you.

Hales: Thank you. Good morning.

Ron Walters: Good morning. My name's Ron Walters, I'm here on behalf of the Northwest District Association. In the interest of time, I'll simply say we're pleased to support the LID and work with all of the participants in the City to have a smooth implementation that'll improve the Northwest district area. Thank you.

Hales: Thank you both. Anyone else on this item? Commissioner Fritz, you have a couple of questions. Are you content to adopt the resolution and follow up on those later?

Fritz: Yes. Thank you for asking.

Fish: Mayor, I had one question of either Andrew or the Commissioner-in-Charge. I'm just trying to understand one detail. If you're on 23rd and you want to get on 405, it would now be a signal?

Hales: There is now a signal.

Aebi: There's currently a signal at 23rd and Vaughn.

Fish: There's a signal, but there's a signal and a sign that says no right on red. If you're on 23rd and you want to turn right and get on 405. And so there's a sign that says no turn -- no right turn on red. Does that change?

Aebi: You know, I'm not a traffic engineer, either, and I'm beginning to think we should have had the traffic engineer here today, and we can certainly bring her back in four weeks. My assumption would be that once the U-turn goes away, there might be some opportunity to remove that. You want to add to that, Jill?

Jill Long: Yes -- I'm Jill Long --

Fish: This is great, this is government in the open! This is very good. [laughs]

Long: I'm land use counsel for Con-way, I'm with Lane Powell. And I am also not a traffic engineer, but I'm really familiar with the project. And that will become a free right. Because of the elimination of the U-turn, there's no reason to have the signal now.

Fish: So, Mike Houck -- Mikel Houck has raised his thumb, so --

*****: He lives in the neighborhood -- [laughter]

Fish: The early polling on this seems to be very strong. I'll just make an observation. To quote Shakespeare, the no right on red was more honored in the breach than the observance. And I noticed on 23rd that most everybody made that turn, and I think -- Mike Houck --

Hales: No confessions needed.

Fish: No confessions needed. Get a lawyer if you're going to follow up with us. [laughter] I think the most sympathetic explanation is it's a very busy intersection. There are a lot of lights and signs. And I think it's perfectly reasonable for someone just to assume if no one's around and they can make that right, they would. If by eliminating the U-turn that becomes a right turn as a right, that actually has some other therapeutic benefits, because that street often gets backed up because people can't make a right turn on red. So, I think that's a plus. Plus, it ends a practice that is currently more illegal than legal at that intersection.

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Long: Absolutely.

Hales: Good point. Appreciate the traffic engineering answer.

Aebi: Mayor, if I could just make one quick final comment. I've been working with Craig Boretz and with Jill since 2012 -- this has been a very long, complicated negotiation, and I particularly want to tip my hat to both of them for finding a way to put this project together.

Hales: Thank you. Good work. OK. Any further Council discussion before we take action on the resolution? Roll call, please.

Item 521 Roll.

Fish: Excellent presentation. Andrew, you do some of the best work in the City, and we're very lucky to have you on the team. Steve, thank you for your leadership on this. I'm very pleased to vote aye.

Saltzman: Looks like a good project and a lot of good development to occur. Aye.

Novick: Thank you, Andrew; thank you, Shelli; thank you, Craig; thanks, NWDA. Aye.

Fritz: It's really good to see the neighborhood and developers and the City working together on this. I thank everybody for your participation. I was on the Planning Commission in 2003 when the Northwest District Plan was adopted, and this intersection was a key limiting factor. This LID look likes it'll take care of that problem. I do remain concerned that it may increase the problems on 405 for people who not trying to go anywhere near the district, just trying get home or get to somewhere else. I'll look forward to hearing more from ODOT about monitoring of that situation and potentially addressing that issue on the freeway, but that's a different question from this LID and I really appreciate the work that's been done. Aye.

Hales: Congratulations, Commissioner Novick, on a great project. Congratulations, Commissioner Fish, for I think maybe the first time in this Council connecting Shakespeare with traffic engineering. Extra credit for that.

Fish: Mayor, you set the bar very high.

Hales: [laughs] This project from the beginning has really been a model of cooperation between the property owner/developer and the neighborhood. And the work on the master plan itself was long and difficult and relied on a lot of good will and mutual adjustment, and it shows here in what we've heard in the Council chambers today on this implementing detail -- albeit, this project is a pretty big detail -- but an implementing detail on a master plan that again I think that has been a real model of how it can be done. I want to credit everyone involved -- Craig, you and your team and the NWDA for working their way towards the redevelopment of a big area of land in a city that has a lot of redevelopment going on in a neighborhood that's the densest in the city. It's a pretty impressive feat of civic coordination and cooperation. Again, special thanks to ODOT for working effectively with the City on their piece of picture. This is a great project. Andrew -- once again, well done. Aye.

Fish: Mayor?

Hales: Yes.

Fish: Can I suggest we do 531 and then come back.

Hales: Yes, I was going to do just that -- I think we've got five minutes until we are back on schedule. Thank you all, we're going to move to item 531, and then back to the Grant High School item.

Item 531.

Hales: I think Mr. Houck is still in the chambers.

*****: He stepped out -- [inaudible]

Hales: OK. We'll wait just a moment to begin this because there are a couple of people in particular who are pretty passionate about this. We surprised him.

*****: Our fearless leader, Bob Salinger -- [inaudible]

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Hales: Alright. Let's go ahead and do item 532 and we'll vote on that. And 534 while we're waiting for folks to come back.

Item 532.

Hales: Roll call vote, please.

Item 532 Roll.

Fish: Aye. **Saltzman:** Aye. **Novick:** Aye. **Fritz:** Aye. **Hales:** Aye.

Hales: OK, now I think the cast is assembled. Let's go back to 531, please.

Item 531.

Hales: While both our feathered and non-feathered witnesses are appearing, I'll read this proclamation and turn it over to them. Whereas, the great blue heron is a majestic symbol of the City of Portland's efforts to restore, protect, and sustain ecologically healthy habitats for fish and wildlife and for the enjoyment of citizens of Portland and throughout the region; and whereas, Great Blue Heron Week represents an opportunity for the City of Portland to recommit its efforts to the natural environment by celebrating past successes and future challenges; and whereas, the adoption of the Comprehensive Plan updates, Central City Plan, and Climate Action Plan creates the need to develop and implement a new generation of innovative green infrastructure programs; and whereas, the Portland Harbor Superfund process is reaching its final stages, providing an unparalleled opportunity to restore the Willamette River to health and reconnect the community to the river; and whereas, the City of Portland is an active partner in the Intertwine Alliance, collaborating with more than 113 Alliance partners to create the Intertwine, a world-class system of park, trails, and natural areas for the Portland/Vancouver metropolitan region; and whereas, Portland residents have engaged in an effort to better understand great blue herons and the health of our rivers and streams through a six-year citizen science rookery monitoring led by the Audubon Society of Portland that involved over 40 volunteers contributing nearly 600 hours and collected baseline information to help gauge heron health in the region; and whereas, the City of Portland is dedicated to ensuring all its citizens have access to nature where they live, work, and play; now, therefore, I, Charlie Hales, Mayor of the City of Portland, Oregon, the City of Roses, do hereby proclaim May 27th to June 1st, 2015 to be 28th Annual Great Blue Heron Week in Portland, and encourage all residents to observe this week. Thank you all for your advocacy. [applause] Welcome.

Bob Sallinger: Good morning, Mayor Hales and members of the City Council. Thank you for having us here to celebrate the 29th Annual Great Blue Heron Week. With me today are Joe Liebezeit, who is Audubon's avian conservation programs manager, and he'll be talking about great blue heron monitoring; and Mike Houck from the Urban Green Spaces Institute who will read a poem by William Stafford honoring the great blue heron. I will give a brief overview of sort of where we see the city environmentally and then pass it on.

It was just about a year ago that we defeated the sewer water initiative, and I wanted to start with that because it was an important moment. I think what that really was was a referendum on the City's environmental plans. I talked before dozens of groups, and many of them didn't really understand until they understood what was at risk was the City's environmental programs and then overwhelmingly, universally they rejected this. That measure went down by 43 points. I think that truly was the community speaking to how much they value this city's environmental programs and environmental efforts.

That was a direct threat to those programs, but I think we have an indirect threat that may be more insidious, and that's complacency. A lot of our first-generation environmental programs are coming to an end and we're replacing them with new programs -- or at least we have an opportunity to do that. And I think the question we have before us is are we going to be as innovative as we have in the past? Are we going to do the things we need to do to protect species like the great blue heron and keep the wild in

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our city? I think that's still an open question as things like the Comprehensive Plan, the Central City Plan and other efforts move forward. It's this generation's challenge to take the next step and build upon the work done 25, 30 years ago when the great blue heron was first made the city's official bird.

I want to highlight just a couple of things that I think we need to be thinking about going forward. The first is green infrastructure. A lot of our green infrastructure programs are coming to an end. Gray to green is about to end completely, with the end of the Friends of Trees contract. The other parts of that have ended already. We need to take the next step and develop the next generation of gray to green programs -- ecoroofs, street trees, bioswales, green streets and so on. We need a program that's even more innovative than we had previously, and one that demonstrates how cost-effective this work truly is -- that it saves the community money over traditional methods.

Superfund. There's nothing we're gonna do that's more important to this river than addressing the end of the Superfund process and making sure we clean up this river in a way that's healthy for humans and for wildlife. And I would ask you to create a citizens task force to advise the City. It's kind of a black box for the community, the way Superfund works. I think it's tremendously important. The City is both the PRP but also the protector of the public trust, and the City should be the one to really start to engage the community and make sure they have a voice as well.

Fish: Bob this would be in addition to the committee the EPA has established?

Sallinger: Yeah, I think the City needs an advisory committee as well, because the City is uniquely positioned to make sure that public input gets into the process and that it really reflects the community. It has a dual challenge as a PRP and as the protector of the public interest. At least look for mechanisms to truly engage the community and make sure you're hearing back from them, because Superfund is a little bit of a black box.

Number three, the Climate Action Plan. Tremendous opportunity there. That really is the biggest threat facing us environmentally, and we have a tremendous opportunity to adopt it and implement it. I look particularly to the opportunity to develop a fossil fuel export policy, something that's been on the radar screen in a big way recently.

Finally, the comp plan and the Central City Plan. Both of those have tremendous impacts in terms of our environment. One of the things I want to highlight for you is keeping the public involvement piece, especially in the most controversial areas, things like our river. I think there's a movement to toward streamlining, but we need to make sure the public remains involved, engaged in decision-making going forward, because challenges in front of us may be different than the challenges behind us.

I'll end by just saying thank you. I think there's been exciting progress in recent weeks and months. First of all, the Mayor's initiative on the Willamette River to create some new access and restoration. It's great to see things like the Central City Plan moving on the ground implementation, so thank you very much for that leadership. Number two, on Pembina -- a controversial issue, but the community spoke very, very loudly. I think the leadership there was tremendously important and very much appreciate the Mayor and Council's thinking about that and the Mayor's willingness to take a stand on this and say that this is inconsistent with our environmental values -- a difficult thing to do. Some folks have suggested that the City shouldn't be involved, that we can't have an impact globally. The fact that the Pope and the Canadian consulate are paying attention shows that in fact, what we do here really does matter -- not just locally, but globally -- and we need to continue with that leadership. With that, I'll pass it on to Joe. Thank you.

Hales: Thank you.

Fritz: I think that's the first time the Mayor and the Pope have been mentioned in the same sentence. [laughter]

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Sallinger: And the Canadian consulate.

Hales: Not to mention the first time the Mayor from Portland and the Pope will be in the same room. I don't know if you know, but I've been invited along with 15 other Mayors to meet at the Vatican with the Pope to talk about climate change.

Fritz: How cool is that!

Hales: I'm obviously going to accept this invitation. [laughter] Yeah, I just got it.

Fish: It's actually the first step in a process of beatification. [laughter]

Hales: No chance of that! Welcome.

Joe Liebezeit: Good morning, Mayor Hales and Commissioner members. My name's Joe Liebezeit, I'm the avian conservation program manager at Audubon. Among other things, I run our science program here at Audubon. I have a few slides -- not many -- just to kind of highlight our heron monitoring that we've done over a number of years.

From 2009 to 2014, we organized a citizen science effort to monitor heron rookeries -- and if you don't know, herons nest in colonial rookeries throughout the city. And the main point was to track trends in the rookery use and document local population changes. Through these efforts, we've established a baseline of information to help gauge how herons are doing in our area. An important element of this is we've involved a lot of members of the public in this effort, and it helps them learn more about natural environment, develop some field biology skills, and have a lot of fun doing it. In the first slide, there's a picture of a heron rookery out at Ross Island -- so just within a stone's throw of downtown here we have wildlife and herons nesting.

We monitored a total of 39 rookeries throughout the Portland metro area over the six years, and over 40 volunteers -- many of them returning year after year -- contributed, they logged over 600 hours of volunteer time. We also relied on some agency partners to collect data at a few sites. Each year, we assign a volunteer one or more rookeries and we monitor them multiple times. During each visit, they count the total number of active nests where we know that birds are actually raising young and the number of adult birds present in this rookery. This is a map showing all the different sites throughout the Portland metro region, so it's a pretty impressive sweep of sites down south of the island up to Ridgefield National Wildlife Refuge; the sites in the city --- Smith and Bybee, for example.

Saltzman: I noticed that Tigard City Hall is a rookery site?

Liebezeit: Yeah, I think there was a rookery out there at one point.

Hales: Fanno Creek, right?

Liebezeit: And from a subset of the rookeries we monitored where we had the best data, we conducted a trend analysis to look for any types of changes in the active nests in adults across a six-year effort. You can see that little graph with the number of adults across the time span, as well as active nests.

Our findings suggest that the population in the Portland metro area is currently stable. However, we stress that just because our findings indicate this doesn't mean that these birds are not facing threats that could lead to population declines, and herons are known to be particularly sensitive to contaminants in our environment. Bob brought up the Superfund, and these birds are very much tied to the water. We know they're susceptible to PCBs, lead in the environment, as well as human disturbance and habitat loss.

Moving forward, we continue to highlight these majestic birds and encourage the public to contact Portland Audubon if they have any concerns about their favorite heron rookery. And on the broader perspective, getting the public engaged with herons helps connect folks with other conservation issues that Audubon is prioritizing -- which Bob mentioned many of -- as we work to protect wildlife and their habit throughout our region as well as Oregon. Thanks for you work to help protect wildlife, and we hope you'll keep doing it. Thanks.

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Hales: Thank you. Mr. Houck?

Mike Houck: Mayor Hales, Commissioners, my name is Mike Houck and I'm here representing the Urban Green Spaces Institute. And shortly after the heron was adopted as our official city bird, I contacted William Stafford, who was the Oregon Poet Laureate at that time. I think reflecting on some of the spiritual and philosophical bases for the policies that we're developing, I think it's important periodically for us to take a little time out and think more on the spiritual and the philosophical level. And I think William Stafford just totally nailed it in terms of how people feel about access to nature and being able to see a great blue heron flying through downtown and coming upon one in their travels through the intertwine. I'll quickly read this. And by the way -- last year, Mayor Hales, you suggested that I submit this to the Portland archives, which I did do, so it's in the archives. It's titled Spirit of Place: Great Blue Heron.

Out of their loneliness for each other
two reeds, or maybe two shadows, lurch
forward and become suddenly a life
lifted from the dawn to the rain. It is
a wilderness come back again, a lagoon
with our city reflected in its eye.
We live by faith in such presences.

It is a test for us, that thin
but real, undulating figure that promises,
"If you keep the faith, I will exist
at the edge, where your vision joins
the sunlight and the rain: heads in the light,
feet that go down in the mud where the truth is."

Hales: Wonderful. Thank you all very much. Appreciate you being here. We'd love to take a photograph with the Council and your proclamation with your friend, if you like.

Houck: That would be great.

Sallinger: We just want to invite you out for the events as well. We have a tremendous number of trips and things scheduled, including the Ross Island regatta.

Hales: Wow, great. [photo taken] Thank you all very much. Mike, I think you're getting even better at that imitation. They're almost as surprising in real life as when he does it. Thank you all very much. OK, now we will turn to time certain item number 522.

Item 522.

Hales: Commissioner Fish.

Fish: Thank you, Mayor. This is the second of a back-to-back week of national champions at City Hall, and we're pleased once again to welcome the Grant High School family to City Hall to celebrate the accomplishments of outstanding students. Today, we celebrate the national champions of the Grant High School Constitution Team. Let's give them a round of applause. [applause] We have a number of honored guests joining us today. We'd like to first invite forward Cassie Hill, Amelia Morrison and their constitution teacher Jeremy Reinholt.

On behalf of the Mayor and Council, I'm going to read the proclamation and then we're going to turn it over to you. But I will preface it by saying that for the past six years, I've had the honor -- I think Commissioner Novick has done this as well -- to serve as a judge at the earliest stage, the regionals for the We the People competition. Frankly, I do it for selfish reasons. Because every year when I come home from that long evening, I really

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feel inspired about possibilities and about the future because I get to spend an evening with high school students who are reaching for the stars through this competition.

We think we see the best of the best. And when you win the national championship it confirms that. So, it's a point of great pride for this Council and our City.

So, the Mayor has issued a proclamation. It's been blown up into about 25 font. And I apologize in advance for any of the names that I mangle.

Whereas We the People, the Citizen and the Constitution, is a nationally-recognized civic education program and competition; and whereas, the competition encourages students to display civic knowledge, skills, and dispositions; and whereas, the Classroom Law Project, administrator of the Oregon We the People program since 1987, plays a leadership role preparing youth to be active and engaged participants in our democratic society; and whereas, the Grant High School Constitution Team placed first in the state We the People competition on January 17th, 2015, advancing to the national competition held in Washington, D.C.; and whereas the Grant team placed first amongst 56 of the nation's best high school teams in the We the People national finals on April 27th, 2015; and whereas, the Grant team's success brings honor and distinction to Portland Public Schools, to the city of Portland, to the Grant family, and to the state of Oregon; and whereas, 2015 marks the fourth year in a row that a constitution team from Portland has won the national championship -- including that other school, Lincoln High School [laughter] in 2012 and 2014, and Lincoln High School in 2013 -- it's nice that you alternate, it's very collegial -- and whereas; the Grant team has been supported by Grant High School Principal Carol Campbell, Constitution Team teacher Jeremy Reinholt, community coaches Tim Volpert, Shelley Larkins, John Stephens, Taylor Bailey, Harry Latto, Jim Westwood, Henry Breithaupt, Andee Short, Mike Curtis, Mike Greenlick, Al Karpinski, Jessica Snyder, Ruth Campbell, and Larry Burke -- that's a pretty good law firm -- [laughter] -- actually the bench, while we're at it -- family members, and friends -- we'll embarrass them a little later and ask them to stand -- and whereas, the award-winning Grant High School Constitution Team includes the following students: Ketchura Antoine, Olivia Berry, Ian Michael, Mia Ring, Eddie Tellez, Parker Brown, Abby Diebold, Fiona Gredvig, Emily Highkin, Alec Mouser, Caleb Walcott, Camille Bales, Meredith Datena, Connor Johnson, Vivy Kaye-Diamond, Amelia Morrison, Chandler Wilson, Amber Burkhart, Mitchell Doebke, Cassie Hill, Sasha Jenkins, Gunnar Olson, Hannah Posey-Scholl, Mia Bacher, Jake Faha, Brianna Hayes, Ally Jeidy, Sofia Penrose, Adam Bruns, Tivoli Di Grazia, Grace Dunbar, Libby Kokes, Charlotte Strange, and Savannah Turner; now, therefore I, Charlie Hales, Mayor of the City of Portland, Oregon, the City of Roses, do hereby proclaim May 27, 2015 to be a day of recognition for the Grant High School's 2015 Constitution Team in Portland, and encourage all residents to observe this day. Mayor, may we suspend the rules?

Hales: Yes, please. [applause] Congratulations.

Fish: We have two panels and we'll start with Mr. Reinholt. Jeremy, if you'll kick it off. Welcome.

Jeremy Reinholt: Mayor Hales, Commissioners. They say it takes a village to raise a child, and it most certainly takes a village to raise a national championship constitution team, 34 of the brightest and most motivated students that I've ever had the pleasure of teaching. And we couldn't have done it without the teachers they've had in the past in the Portland Public Schools District, we couldn't have done it without their parents being supportive of them, we certainly could not have done it without the coaches -- the lawyers and the judges from Portland who have donated hundreds of hours of their time volunteering to work with these kids. But at the end of the day, these kids did it for themselves. They worked their butts off, they cared, they wanted to learn more about our

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country and our government, and I'd like it if everyone here could hear from two of them right now.

Amelia Morrison: I'm Amelia Morrison, I'm a senior. I wanted to say two things about con team. The first thing is, you know, we won the national championship, but the impact it has on students who are aware of what's going on in the community and can read the news and have -- really comprehend what's going on and the greater themes that are happening -- it's really powerful. And what that's created in the community for the seniors and the class is in our free time now, we have conversation about politics and about what's going on in the country and in the world, and how to solve problems in a way that I've never done before and I think is unusual for high school students. Con team has also given me so much direction. I was kind of lost in high school, and being able to be a part of this team and have adults that really took interest in me, and having -- given a place I could thrive and where expectations could be high, and I can do well in an area that maybe I didn't think I didn't know enough about has been so impactful for me. And now, I'm really interested in going law school and maybe one day becoming a lawyer. And that's all thanks to constitution team and going into college and the work I need to do to get there. I have a huge leg up. I have a huge amount of information now at my disposal. Thank you.

Cassie Hill: Hi, I'm Cassie Hill. Without repeating what Amelia said, I also just feel very grateful that you're honoring us for something that we did that's just so -- I don't know, it's been so integral to my senior year, being who I am now. We were both here last week for magazine, and I think we can agree that magazine and con team are things that should be at every high school. They are things that have shaped me as a person and have guided me to do what I think I'm going to do in the future. And something I'd like to see in the future is more civics education for people like me and for my colleagues and everyone who just wants to be engaged. Because I think learning about something that's so important to our country is just probably one of the best things for someone my age, because we want to go out and change the world and not be sitting at home and not knowing what's going on around us. I think con team has definitely been an integral piece of my life, and I'd like to thank you guys for honoring us today.

Hales: Thank you.

Fish: We're extremely proud of all of you. We're going to bring up two additional people real quick. If you can either make room for them or just replace them -- and that's Grant Principal Carol Campbell, and Classroom Law Project leader Barbara Rost. Madame Principal, we have a regular standing date here at Council where you -- [laughter]

Hales: You keep bringing us winners --

Fish: Who you bringing next week?

Carol Campbell: I'm happy to come back every week if I can bring something. There's a lot going on at Grant and I'm extremely proud to be part of the school, really, the students take a lot of pride in everything they do at the school.

The constitution team does make up some of the best and brightest students that we have at Grant but it's a very diverse group, as you can see, and they are involved in lots of other activities, as well. They are athletes, our Student Body President is part of the constitution team, our Black Student Union President is part of the constitution team -- they get recognition in a lot of other areas. We appreciate their leadership at Grant. They are learn being government but they also take a strong leadership role at Grant and care about the Grant community a lot. Again, I'm just really proud to be at a school that has students and a teacher and members of the Portland area that want to ensure that these kids have - - reach their potential and have an experience that is probably something they will remember for the rest of their lives. Thank you for recognizing them, I really appreciate it.

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Fish: Barbara?

Hales: Good morning.

Barbara Rost: Thank you. Barbara Rost from Classroom Law Project. I'm the program director there. Their executive director Marilyn Cover couldn't be here today, but she sent me with these words.

These students have reached the top of the mountain. So when you think about that pyramid, they're at the top. There's a whole lot happening at this level. And what's happening at this level is this program is fifth grade classrooms, in eighth grade classrooms to help the civic education that you heard about from just a little while ago from one of the students that's needed in this city, in this state, in this country. If we had more of that, we would have more students like this.

It's noteworthy that a study was done a few years back that showed that alums of this program, the We the People program, vote at a rate in excess of 82%. The only other demographic that does that is the over 65-year-olds, so I'm pretty thrilled that we got them young and trained them right. And these are the informed voters that we want. So to the extent that you're able to encourage more civic education in our fine city, in our wonderful Portland public school system, and in other systems throughout the city and the state, please do. Classroom Law Project is the organization that administered this program draws the entire state. The Center for Civic Education is the umbrella organization that administers it nationally, but we're the ones that get out there, all the way from Malheur to Astoria and try to make this happen for all students. And go, Oregon! We rock. They're afraid of us back in there Washington. [laughter]

Hales: Good.

Rost: Thank you.

Hales: Thank you.

Fish: Mayor, a couple of closing comments. The first is that every year it seems, Congress toys with the idea of pulling the funding for this project.

Rost: They pulled it several years ago. We're without any federal funding. Zero.

Fish: And you'll recall, in our bicentennial year, we made a commitment to these kinds of things and to civic education. And now, it's deemed to be something other than core, which means that the Classroom Law Project depends even more on generous donors and individuals and philanthropy. And that's a shame. That's a shame because we see recent polls that indicate even in Oregon, less than half of our citizens know that we have two senators or can name them. And at a time when we're seeing a big decline in civic literacy, here's a program that's giving young people the tools to be very effective and engaged citizens and it does not currently qualify for federal funding.

The other thing I just wanted to note, Mayor, is that for whatever reason, the headlines this days frequently highlight where fall short. Where we fall short on graduation rates, where we fall short on funding, where we fall short on ratio of teachers to students and things of that nature. I think it's especially important in this climate to recognize excellence in our community and to make sure the other side of the story is also told about the young people who are bringing great distinction. I have to disclose that I have a conflict of interest on this particular item.

*****: You do.

Fish: Both my Chief of Staff Sonia Schmanski and my scheduler Aja Blair are proud graduates of Grant High School, and we're really proud today to celebrate this remarkable achievement.

Hales: Yeah, this is really excellent. I was so heartened by your victory and also what we heard here today. I'm really glad that many of you as students are planning on careers in

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either law or public service as result of this experience -- or maybe now heightened interests because of this experience -- and I just want to say, I look forward to voting for a number of you in the very near future and look forward to seeing you get politically active. We would make the case here among the five of us, I think, that if you really want to make a difference in the world, your best odds of doing that are local. Of course, the Congress still matters, of course the state legislature still does important work, but the ability to shape change is greatest at the local level. In fact, that's probably why the Pope has innovated 15 mayors to come meet and talk with him about climate change, because most of the real work in the world that's being done on that issue is being done at the local or the metropolitan level. So, we would insert plug for you to continue your leadership, but please continue it here. If you're interested in local leadership, we look forward to having you serve from up here not very long from now.

Fritz: I might piggyback on that -- ladies, I'm looking especially at you. I'm the seventh woman ever to serve on the Portland City Council, and that's frankly not enough. Certainly, go to college, go to advanced degrees, get some real jobs and get some life experience and please think about coming back and serving your community. Portland public schools - - and I mean all of Portland's public schools -- David Douglas and Parkrose and the other districts that are part of Portland as well as the three that are entirely within Portland -- amazing opportunities for learning about life as well as learning academics, and it's great that you have excelled in both of those. Be sure to tell people about your success. I know sometimes we don't do that as much as we should, and then sometimes people don't listen, but it's wonderful that you have achieve what had you have from being in the public school system. Portland is still a place where the majority of families still send their kids to public schools, and you are part of the reason why -- you're showing why it matters. Thank you for coming today, thank you for working so hard and being great ambassadors for our community.

Hales: Thanks.

Novick: I was saying, Commissioner Fish, as I have in the past served -- I missed this last year for some reason -- but I have in the past served as a judge in the regional competition. And as Commissioner Fish said, it is extraordinary to watch team after team and think, "I don't see how any other team could be as good as this." And then another team comes along that's as good as this. It's something that -- watching you all perform is something that everybody in Portland should experience. I think that these competitions should be in the Rose Garden with 20,000 people. It is really inspiring, it is really amazing, and we are all so proud that you win year after year. Not to knock them, but maybe the Trail Blazers could take some lessons from you -- I mean, they haven't won since 1977, so maybe you should go over and give them some pep talks. Thank you so, so much.

Fish: Mayor, we're going to take a picture, but it's our tradition before we do that to recognize the parents and teachers in the room. Would all the parents and people here supporting these young people and teachers stand so we can recognize you as well, today? That parents and teachers and loved ones?

Hales: Thank you. [applause] We'll ask the students to come forward with their support team and take a photo with us, we'd love that. Thank you. [photo taken] Congratulations. [applause] That's excellent. Thank you so much. We'll move on to the rest of our regular agenda. We've covered 531 and 532. Let's move 533.

Item 533.

Hales: Mr. Biery.

Jonas Biery, Office of Management and Finance, Bureau of Revenue and Financial Services: Good morning, Mr. Mayor and Commissioners. Jonas Biery, the City's debt manager. This ordinance authorizes issuance of up to 31,885,000 in short-term tax

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anticipation notes to fund an annual cash flow deficit of the Fire and Police Disability and Retirement Fund. Approval of this ordinance is being requested on an emergency basis so we can complete the transaction as soon as practical to meet the cash flow requirement.

This is an administrative financing action that the City completes each year to ensure cash flow to meet monthly requirements of the FPD&R system. The FPD&R fund receives cash from a voter-approved property tax levy each November. Tax receipts from that levy may be spent through the end of the fiscal year on June 30th, which creates a gap between July 1 in receipt of that November levy. These tax anticipation notes provide the funding to accommodate that gap in calendar year 2015. The notes will be secured by and will be paid from fiscal year 2015-16 FPD&R levy receipts and will mature no later than June 30th, 2016. We expect to sell the notes via a competitive bidding process in July. I'd be happy to answer any questions.

Hales: Thank you. Questions for Jonas? Thank you very much. Anyone want to speak on this item? If not, we'll take a roll call vote on the emergency ordinance.

Item 533 Roll.

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

Fritz: This annual event causes me great amusement because sometimes we get irate emails from people thinking we're borrowing another \$31 million that will never be paid back and the world is going to hell in a handbasket. In fact, it's something we do every year -- as you said. It's a matter of when the property tax levy comes in. It's evidence of good fiscal management and not a problem. Aye.

Hales: I'll certainly second that. As I mentioned in my State of the City speech, I get to talk to other mayors at the U.S. Conference of Mayors, and the fact that our police and fire pension system is this boring and that a debt issue like this is routine and that we pay our bills is something that is just science fiction in a lot of other American cities. So, a credit to Jonas and the managers of the Fire and Police Disability and Retirement System over the years, and again, continued credit to Commissioner Saltzman for a fact that we're now on a trajectory that we're not likely to hit our levy cap. This is the news other cities would love to have. Thank you. Aye. Good work.

Item 534.

Hales: Second reading and roll call.

Item 534 roll.

Fish: Aye.

Saltzman: Congratulations, CenturyLink, we look forward to your video soon. Aye.

Novick: Aye.

Fritz: Thanks to the Office for Community Technology continuing to do a great job. Aye.

Hales: Ditto. Aye. Thank you all.

Item 535.

Hales: Commissioner Fish.

Fish: Brandon, are you waiting for Scott?

*****: Yes, he should be over any minute.

Hales: We can certainly move on and come back. Let's do 536, please.

Item 536.

Hales: Second reading and roll call.

Item 536 Roll.

Fish: This is the end of a long road, and we have a number of people to thank. The bureau advisory committee -- and if I could, Mayor, I'm gonna make comments that are not unique to 536 but cover 537, because the public sees it as combined rate so I'll make one set of comment.

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I want to begin by thanking our bureau advisory committees at both the Water Bureau and the Bureau of Environmental Services for diligently taking up their charge, which is to help us review our budget and craft a recommendation to the Mayor which is the first step in our process. I want to thank the members of the PURB. This is the last budget cycle in which they have participated, and they have given over the years good service to the community and we'll be thanking them more formally later. I want to acknowledge the good work of the Citizens Utility Board of Oregon. As people are now familiar, this is the first time the CUB has ever served as an outside independent ratepayer advocate for residential ratepayers with a public utility. They have historically played that role with private utilities to great effect, this is the first time they've played that role with a public utility because last year, the City invited this unique partnership. And in this budget cycle, we are actually going to be seeing a slight reduction in the proposed rate, Mayor, because of a suggestion from CUB that we go to full cost recovery on one of our SDCs, our systems development charges. We thank them for their service.

This set of recommendations has been fully vetted, including at a rate hearing review. I think it's the second year in a row we've had a separate public hearing and invited the public to come out and understand how the rate recommendation was established and ask questions of officials who are responsible for that. We have had a dedicated rate hearing in which the public was invited to come testify on a recommendation that the Mayor has now proposed based on the recommendation that I forwarded him.

Today, before us is the third year in a row, Mayor, where the Council has been presented with a recommended rate increase combined for water, sewer, and stormwater below 5%, and that's a significant milestone because as we all know, starting a number of years ago, the rate forecast for our utilities was well and above 5%. And because people have sharpened their pencils and we've been blessed with low interest rates and over favorable outcomes that we've been able to whittle it away so the combined increase is below 5%.

Let me be very clear -- not a single person on this panel relishes raising rates on our customers. We don't do so arbitrarily, and we don't do so without understanding the central impact on our customers, but we do so because we have an obligation to invest in a system whether there is aging infrastructure that is failing all the time, where people expect to have high-quality services at a fair value, and where our community is growing and we have to plan for growth.

The recommendation before the Council today has gone through a lot of eyes and a lot of process. It is I think a reasonable proposal which will allow us to continue to provide very high-quality services to a pool of over 930,000 customers, if you include the customers of the Water Bureau. For that reason, I am pleased to vote aye.

Saltzman: Aye.

Novick: As Commissioner Fish said, none of us relishes raising rates on anybody for any purpose. Some of us recognize that water and sewer fees are regressive because there's not a direct correlation between income and water and sewer usage, but we haven't come up with another way to raise the money we need to have a functioning water and sewer system and without functioning water and sewer systems, the city essentially doesn't exist. So, we really appreciate the efforts that the bureau and CUB and Commissioner Fish have made to limit potential rate increases and hope that people will understand that what we're doing today is the only responsible thing to maintain our system.

One thing I'd like to mention is that there's been a lot of debate about increasing density in the city, and density brings pressures and annoyances for a lot of people. I feel fairly certain though with increasing density, with more people in the city, we will see lower per capita water and sewer costs than we otherwise would because so much of the cost of

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the water and sewer system is fixed costs. So, I don't know that that's absolutely true, but I strongly suspect that it's true and we are starting a process of trying to figure out whether we can quantify that. That's something I hope that we can be able to talk to people about in the next year. Aye.

Fritz: Well, thank you, Commissioner Fish, for exemplifying transparency and lack of drama in this budget. And indeed, in your management of the Water and Environmental Services bureaus over the last two years, it's quite different than it was four years ago and over the course of the recession. So, I very much appreciate your diligence and openness and transparency exemplified by Bob Sallinger's comments earlier today about continuing the green approach in Environmental Services and the successful battle to retain control of the Water Bureau. So, thank you for leading the Council on those things.

I also appreciate your increasing the SDC system development charges to 100% cost recovery. Development needs to pay its way, and that's the approach I support.

I appreciate Commissioner Novick addressing the issue of folks who are having a struggle continuing to pay their bills. This City needs to pay its bills too, and we need to maintain water and the pipe system as well as the green system in order to be able to hand on to future generations a system that's in good repair, so that's what this budget does. Aye.

Hales: First, cost matters, so it's appropriate that we as a Council are constantly putting pressure on the Water and BES bureaus to control costs, and that's reflected in this modest rate increase. And I certainly hope and believe that the points you just made, Commissioner Novick, will bear out -- that as we add more people to the system, we spread those costs over more users and that'll start to help us hold down rates in the future.

We have a shared responsibility every year to make sure we keep these rate increases modest, but that all the costs in the bureau are justified in each of these bureaus. Secondly, as I mentioned before and relevant to other items on the Council calendar today, it's appropriate that we as a board look at all of the costs that we impose on our citizens and in particular on new development with respect to system development charges and fees and other requirements as a check against becoming San Francisco as our housing costs rise and we try to deal with the questions of affordable housing. This Council will be meeting in work session dig into those issues in detail to look at the total impact of everything that we do on both the cost side of housing and what we can do to improve the opportunities for people to still be able to afford to live either as homeowners or renters in our city as Portland becomes more and more popular. So, that bigger picture context of our work on costs and affordability and our work on oversight of costs in general goes on, but I'm pleased that we are at this point here today.

It's interesting, Mr. Salinger mentioned that only a year ago -- the memory is starting to fade -- but only a year ago, we basically faced a referendum on whether City leadership should continue in providing these services and the voters very overwhelmingly said yes, we should, and that there are some expectations for how we do this. I think the fact that there's been largely accord in the community about the work you, Commissioner, have done and that these bureaus have brought forward in these rate proposals really shows that we're serious about that. So, I want to thank you, Commissioner Fish, I want to thank the leadership of both BES and the Water Bureau for good management, and the Council for good oversight to get to us a point where yes, no one's ever happy with a rate increase, but we're keeping costs under control and we're keeping an eye on them. Thank you very much, aye.

Item 537.

Hales: Second reading, roll call.

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Item 537 Roll.

Fish: Mayor, this is the last budget proposal on rates that David Shaff and Jim Hagerman will be present to the Council. I want to thank both of them for their exemplary service and thank -- and I'm sure the Council will find ways to embarrass them later. Of course, we all look forward to later in June gathering at the new Interstate building for a special ceremony where, Mayor, you'll be speaking. I also want to thank their senior teams. None of them do their job alone, and they have extraordinarily competent and dedicated people in the senior management that help run these bureaus. I want to thank them personally. I want to thank in my office my Chief of Staff, Sonia Schmanski; Liam Frost, who's my new Water Bureau liaison; and Jim Blackwood, who is the BES liaison.

Finally, I just want to acknowledge something that Steve said earlier. One of my predecessors about 15 years ago anticipated that we were going to have this problem of suburban customers over time pulling out of the system. And there's a complicated back story to this, but it basically comes down to whether they wanted to be renters or owners. And I do not think the math is going to look favorably on that equation, but every jurisdiction gets to look at that decision. But anticipating that we would lose suburban companies, my predecessor 15 years ago understood that that would put pressure on rates because in a fixed cost system, if you have fewer people that you serve, then the costs get allocated to a smaller base -- meaning you pay more. I don't think there is a more important issue that faces us as a Council than making sure that we share the costs of this majestic system with as many customers as possible. And whether it is a hidden dividend of growth and people moving here and more customers that we have within our boundaries, or whether it's convincing our suburban customers -- our wholesale customers -- that this relationship is mutually beneficial, I don't think there is anything more important in terms of rate impact than that exercise, and it's one of the reasons that I'm the first commissioner in a while to go to the regional water consortium meetings, because part of the task is to reestablish good, healthy, respectful relationships with our customers who have not always felt that we acted in their best interests. With that, I just want to say again, thanks to the team, and I'll vote aye.

Saltzman: Aye. **Novick:** Aye. **Fritz:** Aye. **Hales:** Aye.

Item 538.

Hales: Second reading and roll call.

Item 538 Roll.

Fish: Aye.

Saltzman: Aye.

Novick: I appreciate my colleagues' suggestion we move towards full cost recovery in the next year. Aye.

Fritz: Yes, Commissioner -- on that note, I'm happy to support these proposals -- I don't think they go far enough and I hope that we won't wait until next budget to have a revised proposal for discussion, perhaps a work session or something to make sure that transportation improvements are funded appropriately by new development. Aye.

Hales: Aye.

Item 539.

Hales: Second reading and roll call.

Item 539 Roll.

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

Fritz: Thanks to my team at the Bureau of Development Services for all of the diligent work; and also Dora Perry, my liaison. Aye.

Hales: Aye.

Item 540.

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Hales: Commissioner Fritz.

Fritz: Thank you. This is coming a little after the other fee schedules because we wanted to take the time to consult with the Urban Forestry Commission, the Development Review Advisory Commission, and the Title XI Oversight Committee prior to coming, and that's why this is an emergency ordinance.

The proposed fees for your consideration today reflect the expanded regulatory role of the City's Urban Forestry Program in the protection and expansion of our urban canopy. We adopted the Urban Forestry fee schedule last November in support of the Title 11 implementation. This proposal adds fees for programmatic permits, enforcement fees and penalties, and development review fees. Those have been funded by general fund up until this point.

Tree protection is a consideration of some land use reviews, and early assistance reviews are expected to be required. In the past, Urban Forestry involvement in these land use reviews was limited due to insufficient resources. The Council has recognized that that needs to change, because in addition to -- like other regulatory bureaus, certainty is required to manage cost and meet project deadlines, and this will -- these fees will provide the applicants with more certainty at the front end of a land use decision by bringing Urban Forestry in early. I would turn this over to Jenn Cairo, the City Forester, who will provide an overview of the proposed fees.

Jenn Cairo, City Forester, Urban Forestry, Portland Parks and Recreation: Thank you, Commissioner Fritz. Good morning, Mayor and Commissioners. As Commissioner Fritz described, I'm here today to describe the proposed new fees for certain land use review permitting processes that are performed by Parks Urban Forestry. These fees would be paid by development permit applicants and if approved, would take effect January 1st.

As you recall, in January, Parks Urban Forestry and the Bureau of Development Services began implementation of City's new tree regulations, Title 11. Title 11 gives Urban Forestry increased responsibilities, including for review and preservation of trees in some development situations, especially in early project phases, which helps prevent surprises and delays for applicants and creates more opportunities for tree preservation. Urban Forestry has provided these land use review services in the past, however, to a limited degree due to staffing constraints and the absence of systematic role in the Bureau of Development Services process for reviewing those land uses.

The new fees will enable Urban Forestry to provide the services and help ensure that the tree reviews are part of the processes systematically. Land use review process fees are charged by the other regulatory bureaus and if approved, these fees for Urban Forestry's reviews would be added to the land use review fee schedule alongside other bureaus. We are not proposing fees for all land use review processes, only those that regularly require tree reviews according to our colleagues at the Bureau of Development Services. I'm now going to show you what fees we're speaking of specifically.

Here are the land review processes for which we would be charging fees. You'll see the fee rate down the line is \$136. These are full cost recovery. We are proposing to charge for some types of conditional use reviews, and those are here -- minor and major new. We're also proposing to charge for early assistance services, and you'll see these are slightly higher rate. That is because the early assistance processes are more involved and often involve meetings and written responses, and that's above and beyond what the earlier processes require.

In determining the appropriate amounts to charge, the land use review fees from the other regulatory bureaus were considered, and Urban Forestry's rates come out of the low end of the range. Other land use review fees -- and you'll see those now -- we are not

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proposing to charge for these because these do not routinely involve tree reviews. We do at times provide services for tree reviews under these processes and we'll continue to do that as needed, but we'll just absorb those costs for the time being.

Lastly, I would say in the future, we'll be analyzing costs of providing tree regulatory services and fee reviews are planned for future years as well. If you have any questions, I'll be happy to try to answer them.

Hales: The only question I have is just looking at this fee schedule -- you've set almost all these fees at the same dollar amount. Obviously, there's lots of kinds of reviews and decisions here, so how does that get you to appropriate cost recovery if they're all leveled?

Cairo: Thanks for the question, Mayor. A lot of these processes, although they are different in the whole the tree review part is fairly straightforward and of a consistence size -- at least, that's what our experience has shown in the past. So, it's pretty simple for us to figure out cost recovery, it's just what the going rate is for the staff time and how long does it take. In all cases, except the early assistance reviews, the staff time is not that excessive -- it's usually an hour and a half or two hours of time.

Hales: OK, thank you.

Saltzman: And what is the going rate for staff time?

Cairo: It's \$90.86. Inclusive.

Saltzman: Is that across the bureau or --

Cairo: No, that's for Urban Forestry -- that's a tree inspector, but it covers other classifications in Urban Forestry as well. And that's a full rate, so it has any overhead already put into it. Those were developed by our finance department in Parks.

Hales: Questions for Jenn?

Fritz: To clarify, these fees go into effect on July 1st.

Hales: OK, good.

Fish: I just have one question. If someone has permission to remove a tree in the right of way, how long do they have to replace it?

Cairo: That's a great question, Commissioner. Technically, according to their permit, they have a couple of months to replace it. However, because of our climate here, it's usually less than ideal for trees to get planted in the hot, dry summer, and so in those cases we allow extensions into the next growing situation. If you take the whole picture, it can be several months before that replacement tree is required to be in the ground.

Fish: Thank you.

Cairo: You're welcome.

Hales: Thanks very much. We'll take testimony on this. Is there anyone signed up to speak? Come on up.

Charles Johnson: Good morning, Commissioners. For the record, my name is Charles Johnson. I want to thank the staff that worked on this and encourage you to -- regardless of whatever behind closed doors protests you have -- go ahead and vote yes and integrate this. I think the just basic cost recovery -- as you mentioned, Mayor -- is not all that needs - - unless there are statutory limitations -- needs to be in the fees. In the past couple weeks, different people in this chamber who have been concerned that there's not adequate citizen awareness and citizen involvement in the process that this City has available to make sure we have a great green canopy that isn't lost as some people pursue development so we can house all those climate refugees Novick is inviting here. So, I want to encourage Commissioner Fritz and the staff to advocate that these fees are actually ridiculously low when we consider the value that is really being provided -- keeping a great green, bird-hosting tree canopy in our city that makes it a livable space. And I hope that people involved in Urban Forestry will have enough in their budget that they can have more public forums and get people more involved in how they can advocate for other living

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things -- particularly the trees -- in their neighborhood so they are not lost. Thank you, Commissioner Fish, for being aware that sometimes people are distressed that for many months the spot where a tree was is vacant and for the explanation we got about well, we don't want to put a tree there just to have it die, especially with the drought conditions. I think that's another reason we can look for perhaps even -- you know, developers will hate me for this, but they already do -- more comprehensive fee structure if the drought conditions which have a declared in many Oregon counties persist and move into Multnomah County, we're going to need to have financing for tree maintenance and drought mitigation issues. I hope we will be able to put those costs with the developers who are responsible for some of those issues. Thank you.

Hales: Thank you. Anyone else? Alright, then this is an emergency ordinance. We'll take a roll call vote.

Item 540 Roll.

Fish: I want to thank our colleague Commissioner Fritz for bringing this forward. The Mayor and I attended a luncheon recently where the Friends of Trees gave Commissioner Fritz their highest honor and highest award for service. I can think of no one over my service on the Council who's been a greater champion for trees and the tree canopy and all the related issues. Congratulations. I'm a huge fan of Jenn Cairo, and I have to just say that -- I actually used to work with her more frequently. But she does great work at the bureau, and it needs to be acknowledged. I appreciate the discussion today on the fee schedules, and I'm persuaded this is the right thing to do. I'm pleased to vote aye. Thank you.

Saltzman: Aye.

Novick: Aye.

Fritz: Thank you, colleagues, for continuing to support this important work as we all work together to implement Title 11. I found it kind of amusing to be berated for lack of citizen involvement when we had not one but three committees that heard about this -- the Urban Forestry Commission, the Title 11 Oversight Committee, and Development Review Advisory Committee, all of which are open public meetings and very happy to have community engagement. I appreciate their service and their advice as well as the Parks board and others.

Thank you to Directors Mike Abbaté and Paul Scarlett for the two bureaus working together really well on this. Deb Lev and our City Forester Jenn Cairo and all your staff, you've been working extremely hard to make Title 11 work, and I really appreciate it. Above and beyond the call of duty. We'll be funding some additional positions using Urban Forestry reserves this afternoon to bring you a little relief. Even so, I know you're going to continue to work really hard, and I greatly appreciate it. Thanks to Mike Hayakawa and Mieke Keenan in the Bureau of Developments Services who have been providing amazing stewardship and have been very helpful getting these fees before Council, and also Patti Howard and Tom Bizeau in my staff. It's been a great team effort and I really appreciate that we are moving forward. Aye.

Hales: Thank you. Aye. Thanks very much. Let's move on to 541.

Moore-Love: Did you want to return to 535, the one we started first?

Hales: I'm sorry, did we skip something? You're right, we did. 535.

Item 535.

Hales: Commissioner Fish and team.

Fish: Thank you, Mayor. We're joined today by Scott Gibson and Brandon Wilson from the Bureau of Environmental Services. This ordinance would authorize a contract for a project to convert roadside drainage ditches in Southwest Portland into vegetative swales. These ditches along SW Hamilton and SW Stevenson currently carry stormwater runoff directly to

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Fanno Creek and Tryon Creek, respectively. The vegetated swales would filter some pollutants from stormwater to help protect water quality. As part of this project, the Portland Bureau of Transportation proposes to add four foot wide paved shoulders next to the new swales. I'm pleased to turn this over to Scott Gibson for a brief presentation.

Scott Gibson, Bureau of Environmental Services: Thank you very much, Commissioner Fish. Good morning, City Council, Mr. Mayor. With me today is Brandon Wilson, he's an engineer at Bureau of Environmental Services. He's one of the engineers we tasked with working closely with PBOT. It's our shared pleasure to bring this project to you today. It's a small project -- 560,000 is our estimate for the contract -- but it's an important one. I'll turn it over to Brandon to give you a brief presentation. Thank you.

Hales: Good morning.

Brandon Wilson, Bureau of Environmental Services: Good morning. This project happens in two major collector streets in the Southwest Portland area, SW Stevenson between 35th Avenue and Boones Ferry, and the second portion is on SW Hamilton Street between 47th and 45th, also at 40th Avenue in the Bridlemile neighborhood.

As was mentioned before, this is the water quality project, and there is also a concern for safety. Several of the streets in this watershed are without curbs, they're just roadside ditches. We're also proposing the proposed improvements to slow stormwater before it reaches the streams, improving water quality.

Project goals and objectives. Essentially, this project has been recommended by our City process watershed management plan. We plan to improve 2900 linear feet of roadside ditches to more conventional swale type of design with check-downs. This project also includes two conventional stormwater facilities, curb extensions.

As Scott mentioned, we have been coordinating with PBOT as well. PBOT will add a four-foot wide paved shoulder. I'll also mention that the project received large support from the neighborhood, from the neighbors. Also, specific interests from active transportation groups for the paved shoulder. The neighborhood association has also contacted Commissioner Novick's office and PBOT regarding the gaps in the pedestrian connectivity that will not be addressed by this water quality project.

Public involvement has been extensive for this project, including public mailings, meetings, as well as on-site meetings with individuals, and we've basically heard from the neighbors and from the community that a design featuring roadside swales with plants is preferred to perforated pipe covered with gravel.

Impacts to vegetation. There are several proposed improvements where we have required tree and shrub removal. As I mentioned before, we have worked closely with the neighbors, providing more than six months' notice of the specific impacts to adjacent properties as well as many site visits, and in some cases design changes based on property owner input. So there were several trees that were removed as part of this project and the mitigation planting includes 2000 native trees in Ash Creek natural area.

This is a pilot project, this is the first implemented of its kind. There are several projects that are planned with similar type of scope that will benefit from lessons learned and design criteria established.

The last slide basically just talks about some of the next steps. Bids were due last Thursday. Confidence level is high. Purchasing agent will report back to Council with lowest responsible bid. We expect to be in construction late July, potentially August, and the construction duration is approximately five months. That concludes my presentation. Be happy to entertain any questions, if you have any.

Hales: The mitigation effort sounds impressive -- 2000 trees, right? How did we arrive at that level of mitigation? I'm not unhappy about it, just trying to understand the math of a relatively modest project, 2000 trees.

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Wilson: Right. The calculation that they use has to do with the existing diameters of trees that we're removing. The 2000 trees are seedlings, as far as I understand, just a lot smaller diameter. So it's through that calculation.

Hales: So it's an inch for inch mitigation or something in that neighborhood?

Wilson: Exactly.

Gibson: It allows us to plant smaller seedlings in the natural area which we hope will be more successful.

Hales: Thank you. Other questions?

Fritz: These two sites are several miles apart. Why did you choose to have one contract rather than two?

Wilson: I believe -- this was proposed in the original pre-design, and they're quite frankly happening sooner because of the high priority that was assessed through to pre-design.

Fritz: That might be something to think about for the future, since this is a pilot. But if they were split, maybe some smaller companies might be able to bid on them and get experience so they could bid on larger contracts. Just a thought for next time.

Wilson: Certainly. Thank you.

Fish: It's a great question. What I would ask you, Scott -- because I hadn't thought of that -- because it's the pilot, is there any benefit to having a single contractor do it for purposes of lessons learned? Or can we get the same mileage and lessons learned by having two different contractors do the work?

Gibson: That's a good question. I actually don't know what we would get under the different scenarios. We basically did identify these two streets because they were similar, and we thought that we needed to find a new solution for transportation in Southwest for mobility and stormwater. We identified them, and we do end up dealing with this issue of -- as the product develops and scope matures -- starting the effort together and figuring how to balance the contracting opportunities. I know I didn't answer your question, what I was getting as is --

Fish: I think the question on the table -- and we're not going to resolve it today, necessarily -- but when does efficiency bump up against opportunity? I can see having a single contract might have some advantages in terms of efficiency, but does it undercut our companion goal of expanding opportunity? And I think it's a question worthy of a deeper look.

Fritz: And the two sites are somewhat different in terms of slope and topography and neighborhood association, so that might be a good thing to do for a pilot -- the single contractor would be able to say, "this worked here, this didn't work here." So I appreciate the thoughtful approach and maybe in the future --

Gibson: If I could add one little thing. Our engineer's estimate was 560. We have the prime contractor development program. We're already struggling with that threshold -- do we think it's going to be above that, is it going to be below that? How can we bid it? Can we break these up into two smaller ones? When we make these decisions, we have to make them relatively early and so sometimes, when it comes down to awarding the contract, we have so much work in progress that we look to make early decisions better in the future rather than try to break it up at the end.

Fritz: It's a good project.

Gibson: Thank you.

Hales: Other questions? Thank you both very much. Anyone want to speak on this item? OK, then it will proceed to second reading next week. Thank you very much. Let's go back to item 541, please.

Item 541.

Fritz: And would you please read 542 as well?

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Item 542.

Hales: Commissioner Fritz.

Fritz: It's very much my pleasure to announce that the central district portion of the South Waterfront greenway is now complete and open for Portlanders and visitors to enjoy. I'm going to turn this over to Kia Selley for the presentation.

Hales: Good morning.

Kia Selley, Portland Parks and Recreation: Good morning. Thank you, Commissioner Fritz. Good morning, Mr. Mayor and Commissioners. My name is Kia Selley, I'm the planning development and asset manager for Portland Parks and Recreation. I'm here today with Allison Rouse, who's a landscape architect and is the project manager for the South Waterfront central district greenway project. Portland Parks and Recreation is also very excited. As staff, we're very excited about completion of this project and the opportunities that this new riverfront park provides with open space, trails, and habitat for everyone in the community to enjoy.

This has been a particularly challenging and complex project, and a highly successful application of the construction manager/general contractor alternative contracting approach. I want to sincerely thank the Council for their leadership and their commitment to seeing this project through. I also want to thank the Portland Development Commission, TriMet, Oregon Health and Sciences University, Williams and Dame Development, the Audubon Society of Portland, our contractor James W. Fowler and company, and the community for their patience during construction. There are a lot of thanks to go around. I will now turn it over to Allison Rouse. She's going to provide you with an overview of the project, and then we're happy to take any questions that you might have.

Hales: Thank you. Good morning.

Allison Rouse, Portland Parks and Recreation: Good morning, Mr. Mayor and Commissioners. Thank you very much for having me. My name is Allison Rouse, I'm a capital projects manager for Portland Parks and Recreation, and I might add also the proud aunt and godmother of a Grant High School Constitution Team member. [laughter] I saw her on television this morning and I was going to come over here -- so proud.

Fish: Beth Kaye was here earlier. She's a proud mom, too.

Rouse: I saw here. I'm here to request that the Council formally accept the completed construction project at the South Waterfront greenway central district and approve final payment to the contractor.

The greenway central district is the first of three planned segments of a riverfront park and trail along the westside of the Willamette in the South Waterfront neighborhood. The greenway development plan, adopted by Council in 2004, guided the planning and design of the park. When completed, the South Waterfront greenway trails will connect downtown, which is at the left in this image, with the river trail system that leads south and connects with the Sellwood Bridge.

The central district design can be divided roughly into two zones that also correspond to the sequence in which they were constructed: a reconstruction of the riverbank into habitat supporting endangered fish, and an upland park for recreation that holds two trails -- one for pedestrians and one for cyclists. In this image, the red line indicates the boundary between two zones, which runs roughly along the top of the riverbank.

The entire site is a brownfield and is heavily impacted by the industrial activity that took place here during the previous century. When we began, the bank was armored with a thick layer of concrete debris, metal, wood, and a hard shell of concrete slurry left from its days as a dump site. The original riverbank was 100 to 150 feet west of where you see

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it in these photos, and the fill was up to 30 feet deep in places. The entire site is lightly contaminated and is enrolled in the State Department of Environmental Quality's voluntary cleanup program. The project removed and disposed of over 32,000 tons of lightly contaminated soil, 200 tons of asbestos-containing materials, and 60 tons of outright toxics -- all under the close scrutiny of the federal and state resource agencies and neighboring property owners.

In order to produce a more realistic habitat, the entire bank had to be reshaped into a more naturalistic slope back from the river's edge. This image from 2012 shows the crews about two-thirds of the way down along to the bottom of this massive cut that we had to make.

One of the most difficult issues faced during construction was that in 2012, the river did not recede according to its historic patterns, so we could not dig down to install the lowest portions of the design. This image shows some of the ways the contractor had to adapt their staging and sequencing in response to the high water. Just to the left of the slide is a low berm of riverbank that we left untouched so that the water would not inundate the work site. That was not according to plan.

In consultation with the DEQ, the Division of State Lands, and U.S. Army Corps of Engineers, we took emergency measures to install a temporary rock cover over the cut for that winter and we made plans to return in the following summer of 2013.

This image shows what it took to complete the lowest portions of the work during 2013. A double layer of yellow sediment curtains was installed around the work area to prevent contaminated sediment from escaping into the flowing river. The men in the boat took continual water quality samples in order to confirm the protective measures were working. We were able to finish construction that year, 2013. In the spring of 2014, we returned to finish the last piece of the project, the upland park and trail system.

In all, the project installed a clean cap over nearly 4.5 acres of post-industrial brownfield and 25,500 square feet of rocky, shallow water habitat which will provide refuge for juvenile salmon. Higher up along the riverbank, the project installed riparian habitat featuring thousands of native trees, shrubs, and ground covers, as well as five river overlooks. The upland park includes 1250 lineal feet of bike and pedestrian trails, trees and lawns, dozens of seating options all of which have river views, bird-sensitive lighting, and public art.

In your Council packets is a report we have prepared on the alternative contracting process called the construction manager/general contractor or CM/GC process that we used to hire our general contractor James w. Fowler. The report is a requirement of public contracting law and discusses Fowler's performance and whether or not the alternative method versus the mandated low bid method benefited the City. We believe that Fowler did an excellent job not only in quality of construction, but in managing the many risks and minimizing the cost impacts of all the challenges that the project ultimately dealt with.

One feature of the CM/GC process is that it often produces better minority contractor utilization than the low bid method. As the Commissioner may note, we are pleased to report that this project achieved robust utilization and workforce government goals. 18% of the subcontracted dollars went to disadvantaged business enterprises, 21% of total labor hours were performed by apprentices, and 29% of labor hours were performed by minorities.

We also are happy to report the site opened to the public on May 14th and invite you all to our grand opening celebration scheduled for Saturday, June 27th. I thank you for your advice and support, and welcome any questions that you may have.

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Hales: Thank you very much. Great project. Great presentation. Questions? Thank you both. Anyone here wants to speak on this item as well? Come on up, please. Good morning.

Lightning: Good morning. I'm Lightning. I represent Lightning Watchdog X. One of the concerns I have always with change orders in the original bid and what the final cost was. I understand that from the original bid and the final cost, we were quite a distance off. We didn't really go over that number. I'd appreciate it if possibly that could happen today. Another issue I have on the waterfront trails and parks is that what I want to start seeing more in Portland is more access to boaters. I know on a lot of these type of bids we're not really looking at having any type of docks or access points for boaters and I think we're going to miss a lot in the Portland market by not doing that. One of the things I wanted to do is when Centennial Mills is developed is that I want to have access points along the river where people can be taken say up to Government Island, to Sauvie Island, work with some of the artists and who want to go to these different islands and do their artwork. We're missing a real important issue here on allowing that type of accessible to go out on the river and utilize the river. I think we're missing something in the Portland market. What I want to see someday in the future is a lot of the vintage craft, the older boats, going out on the river and being utilized and having events like that to where we can go down and participate along the river and see these type of antique boats and restoration projects that the boaters do. Every project that I see along the river, it feels to me like we're leaving out the boater community. I think it's an important area that we need to look at closer and make sure that the funding is there to allow access. There's no environmental reason to not have the boaters out on the river. There's no reason that we should not be focusing on that. In my opinion, I would love to see a lot of people utilize that transportation from downtown going up to Government Island, up to marine drive, going up to the restaurants, and I think we need to start focusing on that little bit more aggressively. My only concern on this is issue is any cost overruns, the total cost from the original bid. If it means that the lowest bidder can stay within the parameters of what they originally bid then I want to see them get the job. If we're going to go way over our mark I don't want to see them doing the projects. They need to stay consistent with what they originally bid. I understand there's going to be problems, but let's not go over too far on these original bids and keep a real close eye on this. Thank you.

Hales: Thank you.

Fish: Mayor, may I ask a question of the Commissioner?

Hales: Sure, sure.

Fish: Is there a compelling public reason why we shouldn't slap an emergency clause on this?

Fritz: I don't believe so, sir.

Hales: Yeah, we can do the two together. Before we do that, I think this was a guaranteed maximum price project, right? I don't think there were a lot of change orders in this case. Is that correct? Oh, there it is -- there's an increase there. I see it. OK. There were change orders.

Rouse: That's correct.

Hales: That was because --

Rouse: We asked for more scope from the contractor the first year because we ran into a lot of difficulties with the soil as far as its suitability for constructing the walls that we needed, because the water level didn't come down and we had to adjust our construction plan, and because we received late changes from the regulatory oversight agencies. So then we had to come back a second year. And again, additional regulatory requirements happened as well as we discovered two very, very toxic hot spots in the soil that had to be

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remediated. And then a large part of the changes to the contract were when we added the upland park back to the project. We originally proceeded into the construction without that as a part of the scope.

Hales: OK.

Fritz: And as you remember, Mayor, we came back to Council with each of those change orders and explained them all thoroughly at the time.

Hales: I see the recap here. Yeah, OK, thank you so much, I appreciate that. Any other questions before we proceed to take a motion?

Fish: I move to slap an emergency clause on this ordinance, Mayor.

Fritz: Second. For the purpose of closing it out for the public interest.

Hales: Further discussion? Roll call on adding the emergency clause, please.

Roll on emergency clause.

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

Fritz: Thank you, Commissioner Fish. Aye.

Hales: Aye. Roll caught vote on 541.

Item 541 Roll.

Fish: This is a wonderful accomplishment. I look forward to joining you in June. Thank you to Mike Abbaté, to Kia, and to Allison and the whole crack team that brought this thing home.

Mayor, there's a cautionary tale in this, because you are about to launch an exercise in bringing more access to the river and a beach and I want to tell you that we've now learned there's at least two forces conspiring against us on a regular basis. One is the river, because it tends to be very unpredictable in terms of level, and two is the veritable alphabet soup of regulatory agencies that get to weigh in at every stage. It is almost amazing that something like this gets done given the headwinds. So in particular in light of the enormous challenges you face, congratulations on bringing it home, and also thank you for your deep commitment to equity. Commissioner Fritz, congratulations. Aye.

Saltzman: Thank you. This is a great accomplishment, a great addition to our greenway system, and I look forward to seeing it soon. Aye.

Novick: Aye.

Fritz: This is yet another project started under Commissioner Fish's leadership with the bureau, which I have the honor of bringing home. Thank you, Commissioner, for your support of this project and highlighting the necessity to do the greenway. Thanks also to our wonderful staff and our project funders, the Portland Development Commission, which is the North Macadam Urban Renewal Area; TriMet; Bureau of Environmental Services' environmental remediation fund; and Portland Parks and Recreation. Shout out to our lead contractor, Walker Macy, for their landscape architecture. Thanks to OHSU for use of the adjacent lot as our staging area. Many current and past Parks staff but in particular, Allison Rouse, Elizabeth Kennedy-Wong, Liz Moorhead, Patty Freeman, and Kia Selley. Thanks to the Bureau of Environmental Services' Kaitlin Lovell. It says in capital letters, "everyone at the office of procurement," so I think that that's certainly so. And partners and agency staff, too -- Jason Irving at MacKay Sposito; Irene Bowers and Dave Obern of PDC; Dave Unsworth at TriMet; and Mark Williams at OHSU. I hope you can join us formally for the grand opening or informally walking along the greenway. It's something that we promised the community back in the days when the North Macadam Urban Renewal District was a twinkle in Council's eyes at the time. And here are two wonderful women leaders and others in the bureau bringing it home for us, and I really appreciate it. Aye.

Hales: Great project, well done. I want to actually echo Mr. Lightning's comments. I think the third unpredictable force we now need to deal with is our own citizens. Because having spent \$1.4 billion to clean up our river, we're seeing eruptions of interest in actually getting

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to it and not simply looking at it passively from a riverbank. So I think subsequent projects are going to need opportunities to get more people to the river in boats, not just here but elsewhere in the central city and elsewhere along the reach of both rivers as they serve our city and grace. Having spent part of Sunday and Monday at docks generously provided by the state marine board, which funds the construction of public docks all along the river system of the state, I know that they are partners among that alphabet soup of agencies who actually have money and want to build docks. So, Mr. Lightning's point is sound and that we'll see whether Council approves the budget item addressing a pilot project river access effort that we're going to see more and more public demand generated by more and more public access. It's a little bit like the situation that faced the previous City Council when we started striping the first bike lanes. Be careful when you give bicyclists access to the streets, because eventually we'll have a lot of bicyclists. And I think the same thing goes now that we're probably too far down the road to stop giving people access to the river even if we wanted to, but as they acquire more access to the river, the demand will only increase. So, in subsequent projects for these talented professionals in the bureau and their many partners in both the private sector and other public agencies will give us more opportunity to do even more wonderful things in the future. Well done. Aye. Then we have the next item, which we need a motion.

Fritz: Move to accept the report.

Fish: Second.

Hales: Discussion? Roll call on adopting the report.

Item 542 Roll.

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

Fritz: I have become a big fan of this alternative contracting method, as evidenced by 21% apprenticeship involvement here and 29% minority businesses. Also note that Central City Concern provided volunteers in their work program to help with the landscaping and it was wonderful to see them when we went out to see the project near completion. Thanks to all of those returning citizens who are involved in that program. Aye.

Hales: Aye.

Item 543.

Hales: Second reading and roll call.

Item 543 Roll.

Fish: You know, Mayor, looking at the agenda and seeing this week we're voting on a budget, on rates, on systems development charges, on greenways, on reservoirs -- it seems to me if we get through this week, can we take the next month off?

Hales: [laughs] Only fair.

Fish: We're certainly jamming a highlight real into one week. I just have a few comments about this because there's been obviously a lot of discussion and some commotion.

My recollection -- when this process was launched to look at systems development charges a number of years ago, it was done so pursuant to a state law requirement of periodic review. And so, this is a regular feature of our system, it's not something we arbitrarily do. I believe we're required to do it -- I'm seeing the Parks team nodding.

In connection with this exercise, Parks has done this a number of occasions. We put together a diverse group of stakeholders making sure that lots of interests were represented at the table. That includes representatives of the development community, of neighborhoods, parks advocates -- lots of folks that had strong views about this subject, we're at the table guiding it. A consultant was hired to provide the technical expertise. In reviewing the record, I note there's been extensive public process and lots of opportunities for people to be heard.

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Now, on the specific recommendations before us, there's a couple of things I want to highlight as particularly aligned with my values. The first is that the recommendation continues the exemption for low income housing in our community. We have an affordable housing crisis in our community, and let's not kid ourselves -- it is primarily a function of people that have either no money or less than 30% of median family income. We can debate the various strategies for preserving a middle class in our community and their value of investing in workforce housing, but the crisis in our community is at zero to 30, is the poorest of the poor, and this recommendation continues an exemption for affordable housing, which I strongly support.

Second, it for the first time scales the SDC to the size of the house. And Mayor, I'm reminded that Mark Edlen -- who I believe you appointed to the PDC board -- many years ago said that there was an inherent contradiction between our green building philosophy and policies and the way we administer system development charges. And as long as it was by the door and not scaled to size, we were making no distinction between the efficient green unit that was small in footprint and the penthouse, and were charging the same amount for both. That seemed not only inequitable, but frankly seemed to work against our value system about building sustainable for the future, and particularly smaller footprint.

Number three, by virtue of an amendment offered by the Commissioner-in-Charge, I'm pleased that actually this recommendation lowers rates for units below 700 square feet. And since units are getting smaller at a time that they are getting less affordable -- as housing is becoming less affordable, there is a move towards smaller footprints that become more affordable and accessible. I think lowering rates for the units that we're trying to encourage is good public policy.

And finally, the recommendation contains a -- addresses an issue that many of our colleges and universities have complained of for some time, and that is essentially a double dip and the impact of SDCs on dorms that they are building where they have historically believed that the impact of that development is absorbed within their campus. I'm pleased that independent group on their own came to the recommendation that we should end that -- essentially that double dip.

We are all familiar -- we are all aware that there are critics of this approach. I've met with I think all the critics and all the folks that had a concern and exchanged information and I've actually learned a lot more about this process through that, and I'm grateful to those who took the time to share their concerns with me. What I learned -- and I don't want to over-generalize -- but what I've learned is that the increase in the rates was not the primary concern that some folks had. Instead, it was the methodology. And this methodology is different, and reasonable people can disagree about the methodology. There is precedent, of course, in other parts of the country, but that was where the focus was in my conversation.

So I want to be very clear, Mayor, that in supporting this ordinance, I am not impliedly saying that I think this methodology should travel beyond Parks and automatically become the standard for every other bureau. And I don't think that's within our power. I think the SDC method -- I think the legal process for evaluating SDCs requires an independent inquiry and analysis, so I don't believe we're setting an effective precedent which becomes the standard every other bureau to follow. And I know that's a concern that's been raised.

I also appreciate the delay that first Commissioner Fritz and then Mayor Hales have built into this to avoid some inequities. One of the inequities that concerned me was the developer -- and it could be any developer, public or private -- that was well under way a planning process, had a pro forma, but did not anticipate the potential impact of a change

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in methodology on their bottom line. One of the things I think we owe people in the development community is certainty, and the delay gives us a chance to make sure that people that are well under way get the benefit of the existing rules and people planning future development can plan accordingly based on the new rates.

Finally, I fully support the Mayor's call for broader look at fees and costs, including SDCs -- which I understand, Mayor, you will commence as early as late summer, early fall. That's long overdue because consistently, we hear from people that don't see the forest for the trees and they wonder if we're actually looking at the cumulative impact on things like development and cost. And we haven't done that as well as we should, so I think that's a good discussion to have and I support it.

I want to thank Commissioner Fritz for leading this effort; for Mike Abbaté and his senior team; for all the citizens that gave their time to help us shape this proposal; and all those who have come before Council and raised their concerns. I believe that with the amendments, this is a better proposal and I think the case has been made that it is a change in methodology for Parks that is warranted at this time, and so I vote aye.

Saltzman: Well, I cannot support this Parks SDC update. While I think that we are great at talking about how we need to be strategic in assessing the impact of fees on development -- and let's not forget that development means housing -- I mean, we're not taxing the developers, we're taxing the prospective purchasers of housing.

And while we can take great pride that we have a low income exemption here, I think as we know from the housing report that we received just last month, Portland is unaffordable to people from all incomes -- low income, totally dark. You can't afford to live in the City. Median income? You can afford to live east of 827nd and in North Portland. 80% of income, which is a family of four earning \$55,000 -- you can live east of 82nd or in far North Portland.

So clearly, to pass a fee like this in such a vacuum in a one-off fashion -- and that is a one-off fashion, we're doing fee increases as we think there are three votes to do them rather than any sort of strategic, comprehensive look. And I appreciate the Mayor saying we're going to do that, I look forward to that look. But in the meantime, we're assessing an SDC update -- which has to be done, I understand -- but I still don't understand why there has to be such a tremendous overall revenue increase associated with that, especially when we're facing a crisis for middle income earners in this City. We have a crisis for low income earners, but we have a crisis for middle income earners, too. They can no longer afford to buy a house in the central City and that's in fact where the SDCs are going to increase the most.

And I guess -- to go a little further -- Portland Parks has been on a roll. It's rightly been recognized as a gold medal winner as a park system. But I also know while it is bursting with SDC revenues -- you've collected more SDC revenues than at any point in history -- the budget we're going to pass this afternoon increases your ongoing funding by some \$7 million. So, I don't see the crisis that justifies such a revenue increase with this methodology update.

I think that this Council needs to start being more concerned about middle wage earners and their ability to survive and prosper in this City, otherwise we do become the San Francisco or the Seattle or the Denver, and I don't think any of us want to go there. So, we need to act more concerted, we need to act more strategically. You know, we need to act -- I mean, it seems like the only people talking about middle wage earners these days are the presidential candidates, and a lot of that's empty rhetoric.

I think it's time for us to put our fees where our mouths are and to be very serious about how we can allow more single family construction and multi-family construction in the City of Portland. This is the wrong move at the wrong time, and therefore I vote no.

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Novick: Well, there are some things, some factors that recommend this proposal. For one thing, it's perfectly appropriate for Parks to collect SDCs. We need to build new parks, particularly in East Portland, and make improvements to existing parks. Also, the move from methodology where we assume that we're going to have the same number of acres of parkland for every new resident as you do for old residents makes sense, because -- as the consultant pointed out -- we just don't have enough extra acres to buy. And I think that moving to a system where we charge with a greater differential in fees based on the size of the structure I think makes sense.

But just as the Development Review Advisory Committee said that they would've liked to have more time to study this proposal, I would like to have more time to study this proposal in a broader context where we discuss the question of what's the overall level of SDCs appeared other fees that we would expect people buying a house of such-and-such size to pay, and how does this fit into that overall picture?

If we adopted the same methodology for transportation SDCs as parks SDCs -- and intuitively, I don't really see where the logic is much different than the transportation SDCs for a 1700 square foot house would go up from around \$3000 to over \$30,000. I don't think that we would make that jump without taking a long look at the consequences for housing affordability. So, I think that it makes sense to delay this decision until we take a longer look at the impact of SDC fees as a whole on housing affordability.

Although we're moving away from the concept of -- we're going to have as much acreage for new people as old people -- sorry, not old people -- existing residents, this is based on replacement value of the assets of the park system and assuming each person will pay as much to add to the park system as the existing people -- proportional to the number of existing people towards building the existing system. But the cost of the existing system is largely the cost of acreage, so I don't know that we've actually moved very far from the old methodology.

I also think that we need to have a discussion about the fact that we have this preference in our budgeting for maintenance of new parks -- that when we build a new park, then the ongoing cost of that maintenance is built into Parks' general fund allocation for succeeding years. That means that gradually, new parks will take a larger share of the general fund, and I think we should have a conversation with the consequences of that. Does that mean that we're going to cut other services to make room for new parks? Does that mean we need to find new general fund revenue to pay for that?

Related to that is the fact that we are not asking our existing residents to pay the full cost of maintaining the parks that we already have -- despite the bond measure that Commissioner Fritz championed successfully this last year -- we are not maintaining our existing parks. I think actually there's a fairness question. If we're not going to ask our existing residents to pay enough to maintain the existing parks, does it make sense to charge people buying homes in Portland -- new residents -- as much as we take to replace -- to buy their share of the old system?

Finally, I just want -- I mean, I frankly was not aware of how high parks SDCs already were. And I recognize this is not a matter of overall increasing them -- I think that overall, the impact should have them be about the same -- but we charge a lot in terms of parks SDCs. If you assume that people are basically paying off their SDCs over the term of a 30-year mortgage, then somebody buying a 1700 square foot home at \$11,787 for an SDC would be paying \$32 a month for 30 years to build new parks. And last year, we suggested asking people to pay at most \$12 a month to maintain existing streets and that caused a big discussion and a furor.

I'm kind of puzzled why we would blithely say, yes, somebody should pay \$32 a month for 30 years to build new parks when in another context \$12 a month seemed like

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something worthy of lots of discussion and argument. So again, although I think that there are several ways in which this methodology is preferable to the old methodology, I would rather -- as the DRAC suggested -- take some more time to address this and look at it in the larger context of our overall fee structure and what the impacts will be on housing affordability at various levels. Nay.

Fritz: People move to Portland because of our quality of life, and our parks are a huge part of that. I'm very proud of the system that we have and also recognize there needs to be new capacity to accommodate new growth. This is a fiscally responsible measure which is responsive to state rules on system development charges.

On April 15th, we had our staff presentation and public testimony on the parks methodology review. I again thank everyone who testified, wrote letters and emails, and served on the system development task force. This is an important program that will help shape our future park system, and I'm going to specifically name those who on the task force because it's an impressive group and they put in many, many hours coming to a recommendation which I support. They are Debbi Aiona, Raihana Ansary, Bev Bookin, Darlene Carlson, Aubre Dickson, Kevin Johnson, Maryhelen Kincaid, Nolan Lienhart, Jim Owens, Jill Sherman, Jim Sjulín, Dennis Stoecklin, Christe White, and Justin Wood. And I really appreciate all of those folks, also Randy Young, our consultant; Riley Whitcomb, who's done amazing work on this; Parks Director Mike Abbaté and Deputy Director Warren Jimenez; and Patti Howard and Tim Crail on my staff amongst many others. Also, Harry Auerbach in the City Attorney's Office.

We have heard testimony that resulted in amending the start date for the system development charges to July 1st of 2016. This delay is bringing needed money into the system and it means that although we do have more money certainly than we had over the course of the recession, we don't have enough for all of the identified needs in rapidly-expanding neighborhoods -- so places like Errol Heights, Park Lane, 150th and Division, the North Portland greenway will all need to wait until these system development charges come in.

We've listened to all of the testimony, considered all of the amendments, and ultimately decided that the methodology is sound, legally defensible, which leads to [indistinguishable] vote. New development should pay its way. No more, no less. For the first time, Parks will receive 100% of the true cost of the system. I'm following in the footsteps of three former Parks Commissioners to my left. I'm very proud of being the Parks Commissioner to bring that home. In the past, we discounted the value of parks to our citizens, and we are not doing that in this case. We are saying new development needs to pay its way.

We did look into the issue that was raised at the hearing at internal conversions of large to smaller units. Thanks very much to Commissioner Saltzman for highlighting the impact of that action on family-sized units, which are definitely needed. So, we're not going to move forward with any amendment on that issue at this time but I appreciate it being raised. Again, that needs to go in for the wider discussion that Commissioner Fish alluded to.

Incidentally, I always like speaking after Commissioner Fish with the votes because you bring things together so well and I can just tag along.

Very much appreciate all of my colleagues for your feedback and the yes vote from Commissioner Fish and hopefully the Mayor. The new methodology not only responds to needs of our growing City, it also assures that we're collecting the revenue that we should -- no more, no less. I believe that most Portlanders support that approach. Aye.

Hales: For me, there are three big considerations on this decision. One -- is the proposed methodology sound? Has it been developed in a thoughtful and inclusive way? And I want

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to echo my colleagues' comments about that. I think the answer to that first question is yes, this methodology is sound. We had involvement from the development community, from neighborhoods, from park advocates, from disinterested parties, and a qualified consultant that came in and looked and did the math in a way that was not only credible but understandable, which in this world is not always the case. So, I think clearly this project passes that test of, you know, did the Commissioner-in-Charge and her bureau and the community work effectively together to come up with a sound proposal? Yes.

Secondly, are we attending to cost? Yes, we are going to have this Council-wide look at cost and affordability and unlike the presidential level of politics as usual, around here it will be substantive, it will be the five of us looking at the big picture together and then figuring out how the details fit into that. So, we do have to attend to costs and it matters and we have a year to look at how this set of fees and others mesh together and affect the cost and availability and affordability of housing as well as the other forms of development this applies to.

I appreciate the delay in the effective date and the immediate opportunity for the colleges and universities to be able to proceed with projects that don't impact the parks system, so those amendments I think improved the cost impact of this proposal.

Finally, the third one is value. We have to balance both what our fees are and how they affect cost, but also what we get for those fees. There was an economist named Ed Whitelaw who came up with concept called the second paycheck -- specifically about Oregon and actually I think specifically about Portland. That is, by living here we not only get our first paycheck -- with which we must be able to afford our housing, don't want to lose sight of that -- but we also get our second paycheck. And by coincidence, actually, we've had three examples on the Council calendar this morning of what he meant by that. One, Portlanders have access to nature. Thus we have blue herons in the City. That's part of the second paycheck. We get to send our kids to a great local public school system instead of shelling out money for tuition and private schools. That's part of the second paycheck, and so is the park system.

I had the pleasure of joining Commissioner Fritz at the opening of the K^hunamokwst Park and here are all these young families just swarming this park. Many of them live in modest homes in that neighborhood -- that again they have to be able to afford -- but they have, and part of their second paycheck is that their kids have access in that neighborhood for the first time to a park they can walk to and where their kids can play. So, it's important to remember where these monies get spent, whether it is transportation dollars or parks dollars or any others, and you can see the value proposition when you see that park.

So, I think on all three grounds methodologies is a good one and we should proceed and ratify the work that's been done. Cost issues are important and we're working together on them, and the value proposition is clear that this proposal deserves our support. Appreciate the good work. Aye.

Fritz: Mayor, the danger of listing people's names is that you forget one, and I want to thank Jeff Shaffer, our amazing financial guru in Parks. In nearly two years of being the Parks Commissioner, I don't think there's ever been a question that I've thrown at Jeff that he hasn't been able to answer within hours if not minutes, and I really appreciate that. Thank you, Jeff.

Fish: Mayor, could I also just note that I got a text from the City Attorney, City of San Francisco, California and they are filing an injunction against any further -- [laughter] -- what they called defamatory references to the great city by the bay. I don't know what they are referring to, but I will maybe have to get some legal advice on that.

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Hales: Ed Lee and I will have to have some kind of arm wrestling contest or something when I go down there next month for the Conference of Mayors. Thank you all. Let's move on to the final item from this morning, which is 544.

Item 544.

Hales: Auditor and our Ombudsman are here. Any final questions or comments before we vote on this item?

Mary Hull Caballero, City Auditor: Actually, Mayor and Commissioners, if I may. I would like to take this opportunity to thank Ombudsman Sollinger for the hard work she's done on this project and to point out that this is an example of the kind of systemic change that the Ombudsman's Office brings to the city. She takes complaint after complaint after complaint, and the real value she brings is when she strings the complaints together in a change like we've brought before you today. I also would like to acknowledge the individuals in the citizens groups we worked with who helped clarify our thinking and improve our proposal, and also to thank you all because after we marshalled all our evidence and people, we felt like we were well-received by you all, and you were a receptive audience. I would just like to thank you for that.

Hales: Thank you both. Any questions or comments before we do? Let's take a roll call vote, please.

Item 544 Roll.

Fish: I want to thank the Auditor and the Ombudsman. Do we have to change that at some point to "Ombudsperson"? I don't know whether it's gender-specific. I want to thank the Auditor and Ombudsman for great work here, both collaborative between the two offices and with the Council. I sincerely believe that what you have proposed is one of the most significant reforms that's come before Council during my tenure on City Council. We can debate the relative impact of things like creating an independent Budget Office or in the future a new oversight body for utilities -- all the various things -- I think this is one of the single most important reforms that's come forward from both of your offices.

The reason I say that is that I think you captured a very core value that's important to all Portlanders, and that's access to justice. I had the honor before my service on Council being a lawyer that served on I guess the executive committee of the Campaign for Equal Justice, which was focused on removing barriers to low income citizens who pursue justice, and particularly around the fact that there was inadequate funding for legal services, so so many were turned away. As we know, without a lawyer, it's very hard to get justice.

But what struck me about what you've done here is that you shined a light on a problem which I don't think we collectively understood very well, and that is the two key components of your reform proposal. One is the fact that we have been inconsistent in terms of providing notice to citizens of their rights, and sometimes not giving someone notice is tantamount to handicapping them in this process. And just the idea of giving someone notice that they have a right of an appeal and pointing them in the right direction I think is fundamental to government fairness.

But you also opened our eyes to the fact that the way we calculated the fee structures created significant barriers for people in ways that were quite inequitable, and frankly, I think surprising to all of us. In fact, the common refrain up here throughout this process frankly has been "we wish we had thought of this earlier," because it's such an essential part of government. We talk about the desire to have sunshine, but what prevents good sunshine more than frustrating the ability of average citizens to have their day in court, if you will -- their moment to challenge one of our actions? Because after all, when citizens exercise that right, we sometimes learn that we've got it really wrong. And without that feedback loop, are we really operating in full sunshine with full accountability?

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The fee structure issue was shocking to me when you fully explained it, and how we would allow this very disproportionate cost in fees to essentially be a barrier to people exercising their right to a fair hearing. Again, I think it's one of the most significant reforms that's come forward from both of your offices in the last decade, and I think for those who care about access to justice, it really is a shining moment. I have to tell you, both as a Commissioner and as a former lawyer, I'm very proud of your work on this.

I'm also grateful that you work with us to craft a set of amendments to make sure that the spirit animating this -- that is, the right of frankly ordinary people to be heard and aggrieved parties to be heard -- was not taken advantage of by people who may see it as an advantage just to delay the inevitable. I think the amendments that you've offered fine-tune what was already an outstanding proposal. I will remember this day because I think you've done something important and you've done something that I don't think the community fully understood until you brought it out into full daylight. That after all is the highlight hallmark of what an Auditor and Ombudsman should do working together. So, many thanks for your good work and I'm exceptionally proud today to vote aye.

Saltzman: Thank you again, Auditor and Ombudsman, for shining a light on this issue and fixing it. Appreciate it. Aye.

Novick: I agree with Commissioner Fish that this is one of the most important reforms that I've seen since I have been here, and it's also inspired Commissioner Fish to make one of the best speeches I've heard him give, so I can do no better than to second every word that he said. Aye.

Fritz: A while ago, I looked into the question of the name "Ombudsman," Commissioner Fish, and my understanding is it's like "human," it just happens to end in "man." But it's gender neutral. I'm getting a nod from our Ombudsman. It's one that I don't change to something else like I do for -- I never refer to chairman or chairwoman, just say "the chair" because it's nice and gender neutral, just like "Commissioner" and "Auditor" are gender neutral. I love it.

Thank you very much to Auditor Hull Caballero and Ombudsman Margie Sollinger for highlighting this issue and working on a solution, also Dante James in the Office of Equity and Human Rights for partnering on working through it. It's definitely a basic equity and due process issue, and charging \$1300 to appeal a City decision that may cost much less is clearly unacceptable, and yet we haven't done anything about it before now. And so it's great to see the change. We'll need to watch closely to see the impacts of the change to see how many appeals result and whether we need to do more general funding of the hearings officer.

It's wonderful to see the City Auditor and the Ombudsman seeing a problem and not just calling it out, but also taking action to fix it in a collaborative and thoughtful process and it marks a new era hopefully of the way that we're going to do things using our independently-elected Auditor to help be our conscience, with the emphasis on help. Aye.

Hales: It's nice to pause and recognize the good work that has been done here. We don't often do that and we always should. So, thank you for work well done.

My thoughts about this in addition to the good comments we've heard from my colleagues are that there are things that people in Portland think are normal and a little while from now, when they've forgotten about the fact that you made this change, this will just be one of those normal things, like neighborhood associations get to appeal land use decisions without paying a fee. You get to walk in here and advocate on a budget item and be heard and actually change the budget. You get to remonstrate against local improvement district and get the Council to say, "wait a minute, we're going to stop and think about that again and maybe adjust the costs." And people in Portland are used to that level of access and that it doesn't discriminate based on your means. So, this will fit

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into that background and will for people become background -- "well, of course." But of course, it wasn't always so, and you were the ones that figured that out, and we appreciate that very much. Thank you. Aye. We're recessed until 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 and should not be considered a verbatim transcript.

Key: ***** means unidentified speaker.

MAY 27, 2015 2:00 PM

Hales: Good afternoon. I am convening this meeting of the budget committee of the City of Portland. Would you please call the roll?

Fish: Here. **Saltzman:** Here. **Novick:** Here. **Fritz:** Here. **Hales:** Here.

Hales: Good afternoon, everyone. Andrew and Jeramy are prepared to walk us through the decision that we have this afternoon on the City budget and then we have the Portland Development Commission budget after that.

Moore-Love: Should we do the agenda items?

Hales: Yes, please. Would you read the first one?

Item 545.

Hales: Mr. Scott.

Andrew Scott, Director, City Budget Office: Today, City Council will be approving the budget for fiscal year 15-16, and there are a few steps and processes we go through. All of these are mandated under state law, so it is a little bit byzantine, but we will try and walk you through it.

The first thing we're gonna do is have a hearing on state revenue sharing. Again, this is required in order to receive our state revenue sharing funds. So, we will have that hearing and any testimony on that. At the end of that process, we move into the approved budget process, and that has a couple of different steps today. First of all, the Mayor is going to propose a motion to consider changes to his proposed budget. And those changes are what was filed last week and it should be what you have in front of you and what's known as the change memo. And so there will be again a motion and a second to go ahead and consider those changes to his proposed budget. At that point --

Fish: Is that titled "consensus amendments"?

Scott: The general fund piece, yes. There are other changes as well which I'll walk you through when we get to that point, yes. After that, essentially -- and that gets this on the table as the budget committee for discussion. At that point, the Mayor can ask for whether there are any individual amendments from Council that still need to be made. Any amendments need to be moved and seconded and then again voted on -- each amendment will be voted on. After all of those amendments are voted on, then there will be a motion to approve budget adjustments as amended. That's how we get to the final approved budget. Prior to that, there will be a moment for public testimony, a final vote, and then we'll go ahead and do the tax levies. We do it every year, but there are a number of steps we need to go through. With that, if there are no questions, Mayor --

Hales: I will proceed into opening a hearing to discussing possible uses of state revenue sharing. This hearing is being held by the City Council of Portland in compliance with the provisions of state revenue sharing regulations under ORS 221.770. It is to allow citizens to comment on the possible use of these funds in conjunction with the annual budget process. As proposed for Council adoption, the fiscal year 2015-16 budget anticipates receipts totaling \$16,115,255 from state revenue sharing. As has been the case in prior years, it is proposed that this revenue be allocated in equal parts to support fire prevention

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and police patrol services. Is there anyone here that wishes to be heard on this subject -- that is, how we spend state revenue sharing dollars?

Moore-Love: No one signed up.

Hales: No one here to speak on that item? Therefore, I'll close the hearing on the uses of - possible uses of state revenue sharing. Now, it's time to take up a motion on the changes to the proposed budget as presented in the memo, approval of the budget for the City of Portland.

Fish: So moved.

Fritz: Second.

Hales: Further discussion on potential changes?

Scott: At this point, I generally walk through what the major changes are. And again, I will be relatively concise in terms of that.

What you see and what was filed in terms of the change memo -- and you can see these listed in attachments B and C of the document -- there are a few different things. There are a number of bureau technical adjustments. You'll see a lot of lines in here. Once the Mayor makes his proposed decisions, bureaus can do certain things within certain parameters just to move money around within their existing budgets. You see some of that happening in here as well.

There are also a number of overhead adjustments. We go back, and based on the decisions that are in the proposed budget, we notify the overhead paying bureaus whether there has been any change in the amount that they owe. So, you'll see a number of changes in here, most of them relatively small dollar amounts where bureaus are adjusting for that overhead change as well.

Another item that a number of these line items involve is carryover. In the spring BMP from a couple of weeks ago, you took some actions to allow bureaus to carry over funding for certain projects. Once that's been approved in the spring BMP, which it has been, we then appropriate those funds as part of the approved budget process so that bureaus have that funding starting July 1st. Again, there are a number of appropriations in here for carryover.

There are also FTE changes. In net, there are a total of three additional FTE involving seven different bureaus. There's an additional FTE in BES, half of an FTE in Planning and Sustainability, one FTE Office of Equity and Human Rights, one in Facilities within OMF, one within BHR within OMF, half of an FTE within PBOT, and then minus two of FTE in Parks having to do with the seasonal maintenance worker conversion funding. So again, that nets out to a total of three additional FTEs as part of the approved budget.

The final piece that I'll spend a little bit more time on are just the general fund changes. And in front of you have the document, "Mayor's consensus amendments," which is just a concise summary of what those changes are.

Very briefly -- the out of the mud initiative was reduced on an ongoing basis by about \$190,000. The Gateway legal services, which had been included in the proposed budget at one time, has now shifted over to the ongoing side. The same is true with Southeast Works program. The Parks seasonal maintenance worker conversion package was removed for \$73,500. ONI's budget was increased by \$230,000. And in PDC, the Voz day laborer center was funded ongoing at \$30,000.

On the one-time side general fund -- again, PBOT out of the mud reduced by about \$250,000. You'll see the Gateway legal services and Southeast Works offsets, since those were moved over to the ongoing side of the ledger. There's \$10,000 for a Benson bubbler, which I believe is going to our sister city in China. \$30,000 one time for Zenger farms. \$100,000 one time for the Rose Festival. \$150,000 for the rail heritage foundation.

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The next three line items in the Bureau of Planning and Sustainability -- river access, the Lan Su Chinese Garden reflecting pool repair, and the Charles Jordan roof -- those have been removed from general fund because those are going to be funded from TIF resources. And specifically, \$603,000 for the Charles Jordan roof is coming from contingency in the Interstate URA, \$638,000 is coming from contingency in the Downtown Waterfront URA, and \$150,000 is coming from contingency in the Central Eastside URA.

Included in this -- again, these changes to the proposed budget -- \$500,000 for PDC's inclusive start-up fund, and \$891,000 for PDC's proposal for community development fund, and \$240,000 for safe routes to schools, which in addition to the 60 which was initially proposed, gets that up to the \$300,000 ask. Those are the high level summaries.

Hales: And those are all incorporated in attachment B now, right?

Scott: That is correct. Attachments B and C.

Hales: All the adjustments that are attached there to the budget memo under attachment B include these changes from last week.

Scott: Yes, they do. And then the final thing -- you will see also attachment D, budget notes there -- some wording changes on the budget notes, but no major or material changes.

Hales: OK. Questions for Andrew or Jeremy about the amendments to the budget that we now have in front of us and the motion before us?

Saltzman: This attachment B in our document is the current version?

Scott: Yes.

Saltzman: Because I see Voz listed as under ongoing general fund. I thought it was -- I thought you just said it was PDC -- [speaking simultaneously]

Scott: General fund.

Hales: PDC is now funding the Lan Su Chinese Garden, half of the river access project, and Charles Jordan roof out of the urban renewal funds, and that allows them to utilize the general fund dollar amounts of \$500,000 for the inclusive start-up fund and 891 for the community development fund. In other words, they displaced those dollars with TIF dollars, and 891 plus 500 equals 603 plus 638 plus 140, so that's a wash.

Fritz: The Voz money continues -- we've been paying general fund to PDC, it's just administered through PDC and that it makes it ongoing rather than one-time.

Hales: Yeah, it's lodged in PDC's budget but it is general fund.

Fish: Commissioner Fritz, on the Lan Su Chinese Garden, the net effect of this capital expenditure would be to fortify the water feature. There will be fewer leaks and therefore a lower water bill. Are you prepared to make the Water Bureau whole for that? [laughter]

Fritz: It's conservation, Commissioner, which you're urging us to do and that is the bigger picture.

Fish: And a great peril to my bureau, by the way.

Fritz: Yes. On that issue, though, I want to clarify that both the Lan Su Chinese Garden and the Charles Jordan roof which had previously been specified through general fund money through Parks -- it is now going through tax increment financing through PDC. Just need to clarify that that is a direct funding -- it doesn't require IGAs and PDC to manage those projects. It's simply a pass through by a PDC, which will come to Parks for us to manage as projects.

Scott: I assume it'd be through a pass through, it'd still be through an IGA just for PDC to give the money, but Parks would assume the capital assets and being in charge for those projects, yes. But it would still require an IGA to get the funding from PDC.

Hales: To transfer the funds, but your point is Parks should still manage the projects.

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Fritz: Yeah, even the IGA is extra. It takes more time to get that done. So that's a bit challenging.

Hales: Well, you got six weeks.

Fritz: Yes --

Hales: Five weeks.

Fish: I know that TIF that goes to PHB is subject to an IGA -- just might be a requirement of any money that they don't directly administer.

Scott: That's right.

Fish: We probably have a form we could update.

Hales: Yeah.

Fritz: As long as we're clear that it's a simple IGA to just grant the money to Parks to then manage the projects.

Hales: That's the understanding of the Council is that the funds will be transferred from PDC to Parks under an IGA and that Parks will administer the projects.

Fritz: Thank you.

Hales: OK. Further questions clarifications, concerns about the amendment before us?

Fritz: Regarding budget notes -- City Budget Office, when do we make amendments to those?

Scott: Amendments to budget notes can happen today, they can also happen in the adopted budget process. And two ways for that to happen. The Mayor will file the adopted budget after TACC holds their hearing, and so we could make changes in what gets filed. You could also make changes on the floor of the adopted budget when adopting the budget.

Fritz: And that wouldn't delay the actual vote on the adopted budget?

Scott: No.

Fritz: Great, thank you. There's a couple of budget notes, colleagues, that my staff and I had only just noticed regarding funding for a couple of Parks projects that I will be working with the Mayor to clear up.

Hales: Yeah, I think it's actually incumbent on all of us now to actually go back and look at our pledge to do that, as well as the actual text of the budget notes and make sure that we're comfortable with what the words on the page are. We've been focusing on the numbers on the page, now we need to check on the words.

Fritz: Right. And also I will have at least one additional one. We've had some discussions at the work session about, for instance, the \$1.9 allocation for the world championships. So, there will be a budget note that will say if that money comes from other sources, then any additional general fund would go back into contingency. Something like that. There's a couple of sort of tidying up loose ends that we need to do at the next session.

Fish: And that would be the adoption of the budget?

Hales: On the 18th.

Fish: Andrew, would you remind me -- when is the last time when voting to adopt the budget that we made changes to any of the line items?

Scott: I'd have to go back. In most years, there have been minor changes. Not every year.

Fish: More like scrivener's errors type things?

Scott: Well, technical and drawing money from contingency and moving decision packages around, yeah.

Hales: OK. Further -- sorry, go ahead.

Saltzman: Mayor, I related to you earlier after how, going back to our last budget hearing, there was testimony that kind of set a light off in my mind about Boys and Girls Clubs as being an ally in providing programmed activities for youth, particularly starting this summer.

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So, it's my understanding that there will be a budget note that directs \$150,000 a year out of the \$2 million ongoing for Parks to go to Boys and Girls Clubs?

Hales: Here's the way I understood that -- but I'm happy that Boys and Girls Club has come forward with a proposal -- the Parks Bureau developed a package for the community centers and teen recreation effort, and the items that are costed for the City Parks Bureau to provide directly are a total of about \$1.7 million. Then there's \$300,000 available per year for partners to fund their ability to make that program work better. There were no prescribed recipients of those funds, but the idea was people like the Boys and Girls Club could come forward and say, "if we were to be partnered with you, we could provide this much in in-kind services or that much in staff support, we would ask for this much in City funding in order to do that." So, assuming that the Boys and Girls Club is coming forward with a proposal that fits those guidelines -- and they're not much more elaborate than that at this stage -- and we have \$300,000 a year available, then I would be comfortable with committing half of that to the Boys and Girls Clubs if they've got a proposal that magnifies or amplifies our effort.

Saltzman: I think -- I have great confidence they will come through on that end. I think we have to recognize that there are Boys and Girls Clubs located in areas where we are really deficient in community centers, and --

Hales: Right, that's the great attraction --

Saltzman: Sellwood and Lents, for instance.

Hales: And Rockwood and --

Fritz: We wouldn't want to presuppose that they are the designated fundee when there's SEI and various other community organizations, too that may want to make proposals to us.

Hales: I think we want all of those folks to come forward with proposals. They certainly make a good case. I guess I'd like to stop short of guaranteeing them a portion of that, but understand that they are a great partner and that if they come forward with a proposal that fits within our parameters that they're in a good position to be one of those partners that gets funded. No one else has any call on that money either at this point.

Fish: Mayor, on the question of the criteria, I would not support limiting the Boys and Girls Club or anyone else from applying just because they may be in an area that's also within a catchment of an existing community center. I think there's something like the Boys and Girls Club at Rosa Parks Elementary School. They may have a separate independent program that compliments what Charles Jordan Community Center is doing that technically doesn't fill a gap in an area that doesn't have a community center but may otherwise have merit. I would hope there is not a geographical exclusion in terms of whatever criteria are established.

Hales: Right, I want to give the Commissioner and the bureau a chance to develop criteria that are better articulated than what I've just done here. Because again, we've believed from the beginning that this program would work better if we could incent our partners to do more and that some of them would need funding in order to do that. Others would, for example, be able to provide mentors and coaches but just need a gym to play in. They don't necessarily need funding from us. So, it was sort of a stone soup proposition here that we create this vehicle of the community centers being more available to teen programming. We provide some of it ourselves and then we ask our partners to step up and again amplify that effort.

Saltzman: So, the \$300,000 a year will be for community partners, but they don't necessarily have to be offering the programs in the community centers, is that correct?

Hales: Correct.

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Fritz: Right. And Mayor, it's my understanding that you would be taking the lead on that engaging of the community partners --

Hales: Yeah, I'm happy to do the outreach to them, but obviously want you and the bureau to sign off on how do we judge and weigh applications from partners --

Fritz: It is something that we will be working on together, yeah. The other thing with that regard that was just brought to my attention by the City Budget Office summarizing what each bureau did get in the budget and what we didn't was that we didn't fund the security measures at the community centers that Parks had asked for -- the lockdown and security cameras. So we may need to take a look at that. I'm not sure what's in the particular facilities that were designated as these outreach areas, but it would seem prudent to make sure that we have the physical infrastructure to manage them as well, but that might be something that we look at --

Hales: Yeah, it wasn't physical infrastructure included in the package, but there was additional staffing for rangers including in the package so that we'd have people infrastructure there to make sure that we're attending to safety. Because we are going to have a lot more kids and some of them at-risk kids in the building -- that's great, we want them there, but we also want it to be safe.

Fritz: Exactly. And Commissioner Fish took the lead when he was in charge of Parks by installing cameras and lockdown capacity at some of the community centers. So, I'm just flagging that. Obviously, this great concept you came up with just a couple of months ago is still being fleshed out. I know that Parks is not going to have much of an ending fund balance at all, so we may need to look at other bureaus to help provide that if necessary.

Fish: And Commissioner, having suffered through a summer where there were actually some shootings approximate to North Portland community centers, I believe that view of Parks at the time was you needed both. You needed a physical presence as a deterrent, but you also needed cameras and other tools as back-ups. And the combination was designed to discourage people from engaging in certain behavior on site and adjacent to the -- but it still didn't prevent people from doing foolish things, like discharging weapons and bullets actually going through a community center.

Fritz: Yeah, so we'll need to look at that before we --

Hales: I'm really open to that. Again, we have had, I think -- I asked in the elevator this morning at the Police Bureau this morning -- I believe we have had 66 gang violence incidents so far this year. We had another one last night. The total keeps going up. We did have already this year an incident where someone was firing down the street in the general direction of the East Portland Community Center through a crowd of teenagers. So, the physical infrastructure structure is a serious one, and I'm not inclined to be miserly about putting the right equipment in place, but we also need as soon as we start the program to have more rangers and staffing to support it. So, it's both.

Saltzman: Not to belay this topic, but summer starts in about a week and a half and the appropriations for the next year don't begin until July 1st. We have -- do we have our act together that come summer, June 12th or whatever when school is out that we will have programs going?

Fritz: No --

Hales: No, not that quickly. But I think assuming that the Council approves this budget today and Parks Bureau knows this is coming, then I think the instruction to them should be pretty clear to make preparations to do this as fast as you can. Remember, this is an ongoing program. It's not just about this summer, but it's this summer, too. The point is let's get started in providing this enhanced level of recreation and make it free to the kids that need it most, and start lighting up each of these activities as quickly as you can. It doesn't take them very long at all to say what was fee-supported is now free, so every

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Friday and Saturday night at these four community centers, teenagers, it's now free. That's just an announcement with some additional staffing. So, some of the stuff can be implemented quicker than others.

Fritz: Particularly since the Mayor as graciously and carefully said that the staffing is going to be permanent positions rather than seasonal staff -- clearly, we need who are experienced and good at what they can do. So, no, we can't hire them by next week.

Hales: Yeah.

Fish: Mayor, I just want you to know when Commissioner Fritz says "graciously" does something, I put that in the \$250,000 to \$500,000 cost, with or without your budget now. Your silence I think is a sin.

Hales: [laughs] Graciousness is expensive.

Fritz: I'll keep that in mind, Commissioner, thank you.

Saltzman: The other thing related to Parks I want to be sure that we have funded is the period between when the summer meal program typically ends and when school begins in the fall. That gap is now permanently funded by Parks?

Hales: I believe the answer to that is yes.

Fritz: I think so, too, but I'll check and get back to you.

Saltzman: Used to be us, so hoping it's still yes. OK, I'll shut up. [laughs]

Hales: [laughs] Other questions or again things to flag like that that we may need further feedback from staff on? OK. Let's take a roll call vote on the --

Scott: Actually, at this point Mayor, you open it up for any amendments.

Hales: Thought it was after -- OK --

Scott: No, now that you have this on the table and we've described it.

Hales: OK, a motion for any additional amendments in addition to the motion already before us?

Fish: Andrew, when do we take testimony?

Scott: Testimony will be after all of the amendments are on the table -- actually if they've been voted on at that point and then we take testimony on the entire package.

Hales: We don't vote to put the amendments on the table before we take testimony?

Scott: Yeah, actually you do in this process as the budget committee.

Hales: Don't we vote on the first one --

Scott: You actually don't. It's a slightly different process than normal.

Hales: I want to follow state law.

Scott: Because again, you are budget committee right now and not City Council.

Hales: Got it. OK. Are there any additional motions for amendments at this time? OK.

Hearing none, then we should take a vote to approve those amendments.

Scott: At this point, a motion and a vote to approve the budget amendments in attachments B, C, and D.

Hales: That has been moved and seconded.

Fritz: And later we vote on the whole thing?

Hales: Yes.

Hales: OK, Karla, roll call on approving those amendments.

Roll on amendments.

Fish: Aye. **Saltzman:** Aye. **Novick:** Aye. **Fritz:** Aye. **Hales:** Aye.

Scott: At this point, public testimony.

Hales: Is there any public testimony on the budget and its proposed amendments at this time?

Moore-Love: I have three people signed up. Come on up.

Hales: Come on up. I wondered when you were finally going to testify, Craig. Holding your fire.

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Craig Rogers: Good to see you all. Always excited to be here. It's my understand that your number one priority is public --

Hales: Just put your name in the record, Craig.

Rogers: My name is Craig Rogers. Is public safety. And with that in mind, I would like to make it a point to thank Commissioner Steve Novick for saving lives. And let me give you an example. Closest to where I live where there's something very significant to me that you have done is 113th and Stark. You have a crosswalk there. And every time you and Leah have that Abby Road album cover walk across the street, I really appreciate it. On one side of Stark, you have a church. On the other side, you have a park. And next to the park is a grade school. There is a lot of pedestrian traffic there. You'll never know the lives that you saved, but you have, and I really want to make it a point to thank you for that.

You and I -- last summer, we attended emerging local government leaders at the Elliott center. And at one point you came up to the podium and you leaned in and you said, let's talk about love. Well, I don't recall exactly where you were --

Fish: That was a private conversation. [laughter]

Hales: Not anymore!

Rogers: I don't recall exactly where you were going with that, but stay with me, I will help you with that. Because some of the most significant parts of movies are the last lines. And here's a significant line to me of one of my favorite movies: the house and grounds are left to the City of Gotham on the condition that they will be used for one purpose only. The housing and care for the city's at-risk and orphaned children. Well, keeping these community centers open -- that's your love right there in this budget, because those are at-risk children that are going to have a place to go to. And I was here when the gentlemen testified about his grandmother and grandson, and she's gonna be so happy that he will have a place to go. So I really want to thank you for that, and it really means a lot to me and the rest of the city. And the shiny thing is that you have to be a real track nut to subscribe to track and field news. You can disregard that my name is on the mailing label. But right here, if you open this up, well, right on the cover is a gal from U of O. And Oregon, 2016, world indoor championships -- Karla, may I ask you if you could give this to our Mayor and perhaps he can pass it on to Gail?

Hales: Yes.

Rogers: And I've already read it, it's the most recent issue. That's all I have to say.

Hales: Thank you very much. Thanks a lot. Steve, welcome.

Steve Dotterer: Thank you. My name is Steve Dotterer, and I'm here testifying for the Architectural Heritage Center, and we would like to comment on the Planning and Sustainability budget for this year.

First of all, we want to strongly support the inclusion of the single-family study, the infill design guidelines and standards that are proposed in the budget and thank the Mayor for that. In carrying out that work program, we believe it's important to have a full-time historic resources staff person in the Bureau of Planning and Sustainability in order to identify those buildings that are historic and also to know the policies and programs that can be used to protect our neighborhood heritage.

Finally, we ask that you consider initiating the historic resources inventory in the coming year. We know that this will be a multiyear effort, but it's been 30 years since the historic resources inventory was updated. What that means is there's a whole new generation of buildings that are eligible -- that is, buildings built between 1930 and 1965. And the City has grown so that nearly a third of its area, all of East Portland has been annexed and it wasn't considered when that inventory was initially done, so there's a large area that is underrepresented. And then finally, the definition of historic has expanded. And at the time in 1980, it was pretty much architectural and famous people and now, it's a lot

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more about ethnic and immigrant communities and a broader definition of what historic is. And so I think when you begin the HRI, you will be looking at a broader community that better represents what Portland is today, and we think it would be useful to get started on that now because we know it's a multi-year effort. Thank you very much.

Hales: Thank you. Nice to have you back. Others? I will close the hearing, correct?

Scott: Not yet.

Hales: No, undo that.

Scott: At the conclusion of the testimony, now you can -- Council will vote to approve the budget as amended and then we'll do the tax levy.

Hales: Is there a motion to approve the budget as amended.

Fish: So moved.

Novick: Second.

Hales: Further discussion? Roll call.

Roll on approving the budget as amended.

Fish: Well, a couple of preliminary comments, Mayor. The first is we had had question at the beginning of the budget process whether it would be more difficult or less difficult to make a budget when we were facing relative prosperity rather than relative austerity. And I think the early voting on that was that it might actually be harder to craft a budget when we have plenty versus a cut budget. There's some history behind that. I think the verdict on that is that this was easier, but that's primarily because I think we had a very good process. And so I want to acknowledge that at the outset, and I also want to acknowledge that this is the year in which the Saltzman rule kicked in with a vengeance. Dan has historically said that we're always sort of either underestimating the downside or the upside. We blew through a milestone this year when we got to the \$50 million surplus, so the Saltzman rule is alive and well, and the standard has been set.

I want to address three things about the budget: process, substance, and next steps. I really give a lot of credit to everyone involved in crafting this budget for what I think has been a good process, extensive public involvement, great conversations among colleagues and with the staff and frankly, Commissioner Fritz, as I think about some of the improvements to our budgeting, I go back to fateful decision to create a truly independent Budget Office and what we hoped that would mean in terms of good communication and transparency of this process, and I think it has continued to bear fruit. Andrew, to you and your team, congratulations, and thank you for the great service you do during this process.

I also want to just acknowledge that I think the introduction of the new work session, which follows the presentation of the Mayor's proposed budget, is a good addition to our process. I hope the Council embraces it, because I heard nothing but positive comments both from my colleagues and citizen budget advisors who were at the table. I think Chris Smith talked about how we used to have a black box and this brought some sunshine to it. More than that, I think it gave us a chance in a public setting to have a transparent conversation about potential changes to the Mayor's budget and initial reaction. I think the public likes to see us do that work in the light of day. And they are typically -- historically been excluded from those conversations, so I hope it becomes a regular feature in the budget.

On the substance -- Mayor, I want to compliment you for the priorities that you established for this budget. And I think the focus on basic services, particularly around transportation and major maintenance across a number of bureaus was the right approach. And that combined with the discipline that we showed in adopting a policy that said 50% of the one-time money would go to basic services I think put us on track to allocate really a substantial portion of this budget to where I think we were hearing that

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people wanted us to invest. And so, I compliment the Mayor for his leadership in bringing us along, and I think the priorities in this budget were the right ones.

There's a number of things in this budget that I especially appreciate. I appreciate the new money for housing. It would not be in my nature to say it's enough because we're in the middle of a crisis, and so I would have said that even if you allocated \$50 million. But it is a substantial down payment in a budget where we had surplus, and I hope as a Council we continue to make those kinds of robust investments out of surplus and in particular, I hope that we build up the housing investment fund that Commissioner Saltzman has championed.

I think the investments in healthy families and healthy kids, particularly in light of some of the challenges that we have in parts of our community, is the right one. I look forward to working with the Council to get the Parks piece right and to work out those details. And I also, Mayor, strongly support the investment in 3 to Ph.D., and I hope it becomes a tradition to the Council that every year we pick one community partnership to invest in that's helping communities and families in an educational setting prosper. Investments we made in David Douglas early childhood development is just staggering, and that program is doing well. I think 3 to Ph.D. I think will be a similar shining star in our strategy.

I, for one, think the investment in track and field is a good one. I remember when Gail first raised it a couple of years ago ahead of the lobbying and the travel and everything else. The one thing that Travel Portland -- not Travel Portland -- that our sports authority people once told me is one of the challenges in our state we have such an abundance of great sporting opportunities. And as a result, it's harder for us to have a clear identity because we are so good in so many things. We are great place to come golf, we are a great place for track and field, we're a great place for soccer. In some ways, that works against us because there are so many things for which we are noted. I think track and field -- particularly because of the proximity of great companies like Nike and Adidas and also because of great traditions in Eugene and elsewhere -- I think track and field is the next big catch for us, so I support those investments.

I'm pleased with most of the changes that you have proposed following discussions with your colleagues -- the right budget for ONI, additional funding for ORHF and I want to thank a moment to thank all of the members of the board at the Oregon Rail Heritage Foundation who have raised almost \$4.5 million to in essence create a home for our esteemed locomotive. It makes me proud to live in a community where citizens step up to solve our problems so conspicuously. I'm pleased that we have put the East Portland action Plan on stable funding and we don't just every year come back and see that at risk. And frankly, there's a number of other things that I'm very pleased with.

There's one area that I wish I had been able to be better in terms of advocacy and I think I fell short. And in this budget and in a time of prosperity, we're taking a small cut in the RACC budget -- a little over \$100,000 -- and I regret that. Because I think it is -- we made a commitment during the lean years to continue to fund RACC, and I think to cut RACC in a year in which we have \$50 million in surplus is a mistake, but I understand that there's work to be done to actually create a stronger foundation of support for investments in the arts, particularly in light of the arts tax and understanding which program funds what. And I will be taking that up in the months to come.

Overall, Mayor, I have to say, I think this has been one of the most satisfying budget exercises that I have been a part of on the Council, and maybe partly because we had surplus to divide. But I think it also is because Council, through your leadership, set the right priorities and I think it has been largely a collegial exercise to get to this moment. I want to thank you and all of my colleagues for this process. I want to thank the

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professional staff, and I wanna thank my team of Sonia and Jim in particular for all of the work they have done, and of course the citizens that have come forward and helped us every step of the way. Today, I'm proud to support this budget and I vote aye.

Saltzman: Well, I want to thank all of us -- my colleagues and the Budget Office, and all bureaus and our staffs and our public for helping shape a great budget. And it definitely helps when we have such tremendous growth occurring in our city that we can really tap into this and translate it into investments that will make a difference in people's lives, whether it's infrastructure or teen programs to keep kids busy. This is good work from everybody and I'm pleased to vote aye.

Novick: I also would like to thank Andrew and his team and thank my bureau directors Carmen Merlo and Lisa Turley and Leah Treat and their staffs for their work in this process and my staff -- especially Katie Shriver, who has taken point on budget issues.

I want to underline today that this budget includes the greatest general fund investment in transportation in 30 years. In 1985-86, the general fund allocation to transportation was \$13.3 million, which adjusted for inflation slightly above the \$29 million we are allocating today. Ever since then, the allocation has been dramatically lower, which -- among other things -- Earl Blumenauer never on the City Council saw this kind of general fund investment in transportation. So, I feel very, very lucky to be Transportation Commissioner on a Council that has this kind of commitment to transportation, a Council that recognizes that what we get from the gas tax and parking revenues is not sufficient to meet our maintenance and safety needs. I just wanted to say that I'm very grateful to my colleagues. Thank you very much. Aye.

Fritz: Thanks to Mayor Hales for making this a very collaborative budget process and it's important to get to five, especially as important as this and I appreciate that -- particularly Josh Alpert on your staff, who's been doing shuttle diplomacy and working out kinks and everything else in between and has done a great service to the City of Portland. Thank you to each of my colleagues. When all five of us work together, we do our best work, particularly when guided by great staff giving us objective knowledge. Thank you to Andrew and the entire City Budget Office team. I think we have created an excellent process where citizens feel heard -- in fact, citizens are heard. And I agree with Commissioner Fish that the work session was another addition. I would encourage us all to get back to our budget advisory committees in our bureaus to let them know what the final decisions were and why, and to continue to engage bureau advisory committees throughout the year so that our citizens are with us watching over every penny. Thanks to everybody who participated in the budget forums, and to Resolutions Northwest for facilitating those. Thank you to my bureau directors, Mike Abbaté and Paul Scarlett; and also to Dante James of the Office of Equity and Human Rights, who I thought was a very valuable addition sitting at the table giving his expertise; and Amalia Alarcon de Morris, who was in charge of Neighborhood Involvement, which I think serves -- as with the City Budget Office and Office of Equity and Human Rights, I see the Office of Neighborhood Involvement serving all of us and I appreciate Amalia's input into the budget.

I want to repeat what Commissioner Novick just said -- \$29 million in this year's budget for transportation. So, thanks to Mayor Hales and Commissioner Novick for spending much of last year highlighting the challenges of infrastructure maintenance, particularly in transportation. As we all know, parks and housing and emergency management also have huge deficits, and yet we have wisely allocated the bulk of the extra money to transportation in recognition that our citizens are not going to accept the need for more funding if we're not allocating our current funding wisely. And I believe we are spending taxpayers' money wisely in these investments.

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I'm very proud of the policies that the Council passed earlier this spring allocating 50% of any one-time money and ending fund balance to infrastructure and maintenance in transportation, parks, and emergency preparedness, which since we have \$36 million in one-time funds, that means that \$18 million is budgeted for crucial safety needs -- maintenance needs, rather -- including \$12 million for transportation projects with 122nd Avenue receiving over \$3.3 million in paving funds, and additional 4.7 million for safety improvements. We are continuing to invest in areas of the city that have long been lacking in services, and we are prioritizing that even with relatively scarce resources. I think it's easy to forget when you have a budget surplus -- so-called surplus -- of \$36 million, the hundreds of millions of dollars' worth of needs all over the city in the four major areas. And so we are not done yet.

Very grateful that thanks to the 50% policy, we are receiving funds in parks for the Charles Jordan Community Center roof, the Mt. Scott heating system, the Zither pond at the Lan Su Chinese Garden -- which I previously forgot was called Zither and I think that's an excellent name -- the stadium lighting, Willamette Park dredging, and Forest Park culvert repair. All are really crucial maintenance projects for our parks infrastructure. As I mentioned, there are a couple of budget notes, one for Mt Scott and the stadium lighting, that are of concern, and I will talk with the Mayor about those and hopefully get those addressed before the approved budget vote.

I am delighted for the right budget for ONI, and thank you so much to everyone who wrote in with personal stories about what that means to you. \$180,000 goes to the diversity in civic leadership program, which the Harvard Kennedy School recognized this spring -- last month -- as one of the top 10 innovations in public engagement in government in their Innovations in American Government awards. This was a competition with 500 entrants, and we are in the top 2% with the diversity in civic leadership program. And when Commissioner Hales asked me to be on the task force of Neighborhood Involvement back in '94-'95, we figured out what's necessary in the neighborhood involvement system, and that is to fund programs which previously had not had enough attention, particularly diversity and civic leadership, people with disabilities, and youth. And that's what this right budget for ONI does. 20 years ago, we knew what the answer was. We're finally in a position where there's a Mayor willing to commit funding those needs.

In addition for the money for the diversity and civic leadership partner, including an extra partner to be fairly apportioned with a competitive process to decide who the new partner is going to be, there's \$30,000 for neighborhood small grants. You give citizens \$1,000 or maybe even \$500, and it is amazing what they can do in partnership with different folks in their community who might never go to a neighborhood meeting but would love to show up to create a community garden or a booth or a kiosk or a food program for some of their needy neighbors. That's terrific. And also, the \$10,000 for the youth commission and \$10,000 for connecting communities for people with disabilities, experiencing disabilities. Those are really important programs, and I appreciate your investment in people as well as projects and things.

I'm very happy that Parks is receiving funds for fountain maintenance, not because I'm a particular big fan of the fountains -- although I think they're really great --

Fish: Move to strike those words, please. [laughs]

Fritz: It's a continuation of making sure that ratepayer dollars pay for the rate-funded portions of the budget and taxpayer general fund dollars fund other things. Because the Mayor chose to allocate money for fountain maintenance, Buckman Pool and the community center no longer at risk. They are in the ongoing budget and I'm very glad we will not be having that discussion at least until we get into a further discussion of what community centers look like in the 21st century, and if there are new ways of looking at the

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functions of a community center that may not involved tens of millions for a new pool. There might be other creative ways of doing things, and certainly the little pool at Buckman is necessary until we can fund the Southeast Community Center and Sellwood Community Center provides a lot of cherished services.

I agree with Commissioner Fish that the ongoing funding for the East Portland Action Plan is very satisfying and great work on their part. Also the \$250,000 for Gateway green, which furthers a community-driven mountain biking effort which will match nicely with the other efforts -- the other work that the Mayor is leading on mountain biking opportunities.

We are looking forward to working together on the youth initiatives in the community center. It's not well defined as yet, but we will work hard to get it so. And we're looking for partners. So, if those watching are wondering what could it be, what might it be, join the conversation because we can work it out together.

There will be a couple of budget notes in addition to the ones that I already mentioned. One on the indoor track funds that we will be approaching Travel Portland and others to see if we can get some money from other sources to supplement those -- to replace the general fund dollars, and if that is the case, we'll put the general fund money back into the contingency.

There are some huge upcoming expenditures that we know are coming along. We've worked very hard this budget year to get \$15 an hour for direct City contractors and for all full-time City workers. We still have more than 2000 Parks workers who do not make \$15 an hour. We have our contracts with entities like the Pioneer Courthouse Square whose custodians don't make \$15 an hour. There's various other elements that we -- even without the legislature taking action on raising the minimum wage -- that we can do if we have the discipline and the funding to be able to direct money to those in our community who part of the reason they can't afford housing is because they don't make enough in their 40 hour a week or 60 hour a week or 80 hour a week jobs. And so, we're not done yet, but I concur with my colleagues that it is much more pleasant to be looking at where to allocate the money wisely rather than looking at where the cuts would be least painful, as has been in the past. Thank you to all, aye.

Hales: Well, I'm very proud of this budget and the good work that we've all done together to draft it and get to this point here today. Budgets are values expressed in dollars. They're also expressed in words, as we try to do here, but budgets are where we put our values into line items of dollars -- and in this case, public money. And I think one reason why this budget has been a successful process is that there are some strong shared values on this Council that I think reflect those in the community that we heard from some folks eloquently about today and that we heard during the hearings. And those values of basic services and housing and public safety and kids -- really the themes of this budget -- are expressed in dollars in this budget. So, I want to thank my colleagues for being clear about what their values and priorities are and for our ability to work together as a board to get to a shared understanding of where we should focus our work and our priorities over the next year.

I also want to echo some comments that my colleagues have made here about the validity of this process. One of my favorite parts of the budget process in the last few years have been the groups of new Portlanders who come to the budget hearings, many of them participating for the first time in any kind of democratic process -- and we've all seen those moments. And seeing those folks participate and both be influential is a powerful moment for me -- to see them come in and say, "this what I would like for my community and for my kids and for my family and for my future" and have it show up in what we actually do is such a validation that the democratic process works in our City. And I'm very proud of that.

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I'm very proud of some long-term commitments that we've made in this budget. Not just that we are experiencing prosperity and are rightly focusing those additional resources on transportation and parks and a new server to run our 911 center and other kinds of important basic infrastructure pieces, but that we're making long-term commitments that will pay off long after the public service career of the five of us has ended. One of those is the out of the mud effort that we are beginning -- albeit modestly -- an effort to partner with neighborhoods and citizens living on dirt streets since they got annexed to the City of Portland or whenever back in the midst of time, some local government allowed previous homeowners to build houses on streets without sewers or pavement. For us to finally -- now that we have the sewers installed -- to start working on the pavement one way or another, through local improvement districts or however we make that work to make a long-term commitment that someday, every street in the city of Portland improved to a standard that people that live on it want to see. That's a good thing for us to be able to say that. And then for us to make this ongoing commitment -- albeit yet not fully fleshed out -- to giving free and available recreation choices to our kids. I'll tell you, I'm so passionate about that. Every day, I'm getting reports about the increase in gang violence. I was there at the East Portland Community Center a few minutes after that young man turned and fired back into the crowd towards the East Portland Community Center, blessedly hitting neither anyone there nor even the community center itself. You know, we've got to give our kids positive options. We all know that. We don't get the chance to talk to Charles Jordan about this anymore, but I did get the chance the other night because I ran into him at an event to talk to Roy Pittman, who -- for those of us who work in parks for a while know -- has teaching kids to wrestle at Peninsula Park Community Center for decades -- thousands of young people affected by this guy -- and talked to him about this program and to hear his validation that this is the right thing to do was also pretty powerful.

This Council has -- as far as our research has been able to determine, this Council has in three years dealt with the biggest budget deficit in the history of the general fund, or at least its recent history, and the biggest budget surplus. Dubious honor in the first case, and a wonderful opportunity in the second, but I think our values have been consistent through that process and I think we have shown that we are good managers of the public's money. A couple more mentions there.

We are in this position today because the city of Portland is prosperous. We have the fastest-growing gross domestic product and the fastest-growing cities in the country. We have 4.8% unemployment in the city. We've created 23,000 jobs in the last two years in this city. Business profits are up. That's a good thing, and it's a good thing in part because it rains down benefits to public services that the City and County provide. That's why the City and the County are enjoying this. We have a responsibility to keep that good economy going, and it's now paying dividends for our citizens.

Finally, I want to say thank you to first Andrew and his team. They've worked as they have always totally professionally and totally thoughtfully and relentlessly prudent in their use of these dollars. And we have arguments and discussions around our tables with them about this and that expenditure, and you and your team, Andrew, are first rate in everything that you do and totally mindful that these are every one of them a public dollar that somebody's paid in taxes. That sensibility just shines through in everything that you do, and I don't know how many people in the City appreciate that fiscal prudence that you live and breathe, but we do, so thank you for that good work.

To Gail Shibley and the rest of my staff who have worked so hard to craft this budget, thank you for the good work as well. And to our bureau staff and directors who came forward and answered hard questions -- or in a couple of cases, like this Parks

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program, developed something new and effective in a very short time. I thank them for the good work as well.

I'm very proud of this budget. Mike Lindberg came in here the other night and said it was transformational. That's high praise. I think it's certainly a great accomplishment for us as a community and an opportunity to build a city that we all love and that will be better because of the way that we spend these dollars. I am happy to vote aye. Thank you very much. I believe we will adjourn as the budget committee --

Scott: Close -- moving to tax levies. [laughter]

Hales: Gotta approve the tax levies, there it is. Item 10.

Scott: Always the most important.

Saltzman: Gotta go -- [laughter]

Hales: It's all funny money, we're not going to actually levy the taxes to do all this. So, the budget committee will now levy -- the City shall now levy its full permanent rate 4.5770 dollars per \$1000 of assessed value and \$15,293,219, for the payment of voter-approved general obligation bond principle and interest, and \$133,795,013 for obligations for the Fire and Police Disability and Retirement fund, and .4026 dollars per \$1000 of assessed dollar for the children's levy. Furthermore, the City shall levy amounts listed in attachment E for urban renewal collections. May I have a motion, please, to approve these tax levies?

Fritz: So moved.

Saltzman: Second.

Hales: Any further discussion? Roll call.

Roll on approving tax levies.

Fish: Aye.

Saltzman: Aye.

Novick: I just wanted to take the opportunity to say that we live with a ridiculous property tax system that we in the City can't do anything about. The values of properties are tied to whatever the values were in 1995, which means that in parts of the City where values have increased rapidly since 1995, they're paying based on assessed value which is much lower than the real market value, but in parts of the City where values have not appreciated rapidly since 1995 -- including much of far East Portland -- people are paying base on the assessed value that's much closer to the real market value. I want to take this opportunity to say, I'm sorry about that. I wish we could fix it. Maybe someday the legislature will send something to the voters that gives them an opportunity to have a more equal property tax system. Aye.

Fritz: Taxes pay for services, and we just allocated the services with the apportioned money. Very grateful to the taxpayers and ratepayers of Portland for the public money that is dedicated, and I will continue to spend it wisely. Aye.

Hales: Aye.

Scott: Finally, if I could take 30 seconds before you adjourn -- thank you for the comments. I just wanted to recognize myself the CBO staff. If they could all stand up.

Hales: We're going to suspend the rules and thank our staff. [applause] Nicely done.

Scott: As I think you all know, hours and hours of analysis and work go into these -- this five or six month period of time, and they're the ones pulling the late nights to make the process run smoothly. So, I wanted to thank them myself as well.

Fritz: I would also like to thank you with working with each of our staffs. I neglected in my comments to thank Tim Crail. Each one of us has one or more staff who definitely are our point people, and we appreciate your availability and each of your staff that we can go directly to you and ask you our questions and get them answered quickly.

Scott: I appreciate your staff's availability when you're not available. Thank you very much.

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Hales: Thank you very much. Now, I will adjourn the budget committee. We'll take a moment's break to switch staff and we'll move into the PDC budget committee meeting.

At 3:02 p.m., Council recessed as Budget Committee.

At 3:02 p.m., Council convened as the PDC Budget Committee.

Hales: I'm now convening the Portland Development Commission for purpose of approving the fiscal year 2015-16 budget. The budget committee members received copies of PDC's budget and an approval change memo on Thursday, May 21st. Would you please call the roll?

Fritz: Here. **Fish:** Here. **Saltzman:** Here. **Novick:** Here. **Hales:** Here.

Hales: I'm now calling for a motion to consider the changes to the proposed budget as presented in the change memo and exhibit A. Do you need to describe any of those for us, gentlemen? I know you did before -- or answer any questions that the Council has about changes. We discussed earlier the changes in the general fund budget which are then mirrored in the PDC budget -- that is, the tax increment funds will be used to pay \$150,000 towards the river access project, \$638,000 towards the Lan Su Chinese Garden repair, and \$603,000 towards the replacement repair and replacement of the Charles Jordan roof. That will enable general fund funding of the inclusive start-up fund at \$500,000 and the PDC community development fund at \$891,000. So, the Council reviewed all of those changes on the general fund side a few minutes ago. I think we're clear on those.

Fish: Is this time for questions?

Hales: Yes, please.

Patrick Quinton, Director, Portland Development Commission: Yeah, we're here for questions. You have the memo.

Fish: May 21st memo?

Quinton: Yes.

Fish: Mr. Executive Director, under my name, number one, about the status on the Multnomah County Health headquarters, do I read this you will be extending the time line for final installment but it is conditioned on this being for a county health headquarter and not for some other purpose?

Quinton: Yeah, that's correct. Since the last meeting, I've had a chance to check in with the County on this and what they tell me is they plan to proceed be that project. So, it doesn't seem to be anything --

Fish: OK. And if for some reason they choose not to -- for whatever reason -- then it would come back to us for further discussion, right?

Quinton: Yeah, the overall money involved, I think -- it's still an agreement between PDC and the County related to changes to the River District many years ago and other things, and so we would want to help them find another project that was TIF eligible. But, yeah, we would be able to come back and talk about what that project is.

Fish: Just to be clear -- I know it's a beating of a dead horse here, but the dirt that I threw in was contingent on it being a 30% eligible project, not some other project. So, separate and apart from the TIF that they are entitled to by virtue of the overall deal on urban renewal, the dirt is contingent on it being a 30% set-aside eligible --

Quinton: Yeah, and that's a deal between the City and County.

Fish: We're clear about that. Thank you.

Quinton: Yeah. And just so that you are aware, it's not -- it doesn't impact anything, any budget issue right now. We have agreed actually to resolve an outstanding \$9 million payment that we made to the County in Downtown Waterfront -- a similar type of

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agreement, but 10 years ago -- that they have been unable to use. We will actually transfer that obligation to River District and transfer a similar obligation back to Downtown Waterfront. Our contribution to the County Health headquarters building will be \$9 million more and we will no longer have an obligation in Downtown Waterfront to the county. So, we're working on updating our IGAs, but that is an agreement in principle.

Hales: OK. Other questions for our chair or our team from PDC? So then, that's -- the change memo includes the amendments as described and as we've discussed. Are there any individual amendments to this memorandum from Commissioners that anyone wants to propose now? Hearing none, then we'll thank the three of you and call for public testimony -- if there is any -- on the budget as proposed and on the amendments before us. Thank you.

Quinton: Thank you.

Hales: Mary Ann, you get to sing solo this afternoon it looks like.

Mary Ann Schwab: Good, then maybe we can turn off the blankety-blank clock. [laughter]

Hales: No, we're not going to start that practice! Who knows --

Fish: Nice try.

Saltzman: Don't push your luck!

Hales: Oh, we get a treat.

Schwab: This is serious stuff. I want to talk about Washington High School, PDC budget, the park budget. We've been at this since 2004, we've been in queue now since a good 30 years. And I understand fix our park -- I'm thrilled we're fixing our parks -- I can understand waiting another 10, 15 years to get it constructed, but we are at risk of losing our land facing SE Morrison. That's open space right now. Back in the '90s, they upped it to RH when the building was empty -- Washington High School -- and back in the same period of time St. Francis Park was there. Lots of changes going on. Portland Public Schools went down to Planning and tried to up it to an EX. It has been nine, 10 months, they finally came to Portland, the Buckman neighborhood association, and let us know they didn't get in touch with us because they barely got it in public hearing time by March 30th. They lowered it to CM3. We don't want that. We want open space for our children to run and play. I was hoping to get here in time to beg for a million of your \$40 million surplus. I'm also aware -- and I have documents to prove it -- we have 5.1 million in queue at PDC for the projected costs funded by TIF within the Central City eastside. And also we have -- now with their record, it's 985,000 in queue and that's due to expire in June of 2017. So, I -- short of my going out with a bake sale, how can I get another million dollars to buy this land? We have many, many, millionaires with deep pockets -- deeper than mine -- that would want to leave something behind for the children they never had. Let's try to keep the open space. In your own comp plan, you need at least 10 acres for community centers. And Commissioner Fritz is right, \$10 million is a lot of money. But we have been tap dancing around and coming down here again and again just to keep the swimming pool open. There are seven inner Southeast neighborhoods that started out to be model cities neighborhoods in the late -- early '70s. I have been at this this long trying to meet the needs of our kids in the inner city. I have given you my document. I don't know what else I can do. I have the history of who bought what, what was paid for, you name it -- I can bury you in paper if that is what you want. But I'm not going to spend my ink doing it. I'll give the copies to ONI and maybe they can print it if that's what you need. And again, I'm here asking for assistance. Seriously, I don't want to lose that land facing Morrison. Please help me with this. I'm begging you to help me. Not just for me but for the generations to follow. Thank you.

Hales: Thank you.

Fish: Mayor, this is not technically a comment to the budget but can we engage --

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Schwab: It is budget --

Fish: I'm doing you a service by opening up.

Schwab: Thank you. I thought you were teasing me. OK.

Fish: I'm not arguing with you, I'm pleading your case. Mary Ann has also raised this with me because I have some institutional memory of the option we have created -- we negotiated with Portland Public Schools once upon a time when there were some other moving pieces, including the potential acquisition of Washington Monroe High School and potential funding and potentially staged for a new community center. Without getting into the merits of this -- because I don't have the records to verify what the position is -- what I would simply ask, Mayor and Commissioner Fritz, is that we pull the records that Parks has related to this transaction. Because I do remember negotiating -- it might have been around the time that we -- during one of the episodes where we give some general fund money to Portland Public Schools during a dip. And I do remember this being negotiated and I do remember this being a Council priority. I don't remember what the commitment was, other than having an option. And option of first refusal doesn't necessarily commit us to doing anything, but I would ask that those documents be retrieved so that we can revisit the question well in advance of the expiration of the option date and decide as a Council how we want to succeed that's separate and apart from the merits of the issue.

Schwab: That expires June of 2017, by the way. And I have those resolution numbers.

Fritz: We have the records, Commissioner. I'd be happy to have a discussion.

Hales: But the property is not -- that's an option that the City has until 2017, is that right? So, the parcel can't be sold by the school district during that time, unless --

Fish: It could be subject to an option.

Schwab: That's what the notes that I handed you -- there are two parties of interest wanting that property right now. Already one has filed a right of first refusal on it because they know the City has no money.

Hales: I'm sure there are lots of people who would like to buy that property. But the point is -- my question is, can it be sold to anybody else but us during this time?

Fish: All we negotiated was the option of them coming to us saying you can match --

Hales: So they have to come to us first, OK.

Schwab: And I told Sara King that if necessary, just a piece of paper. I will ask the Council to sign another intergovernmental agreement. We can keep signing them again and again and again just to keep it on hold. And then maybe put a community garden right now, maybe fence of a dog park -- let's start putting people on that open space. You're already getting \$50,000 for the next five years for the teachers' parking lot. I mean, we're doing what we can. Please help us.

Hales: We hear you.

Fritz: And Mary Ann, that's exactly right, it's a matter of the money to buy it and to develop it.

Schwab: I know it. There's a millionaire that could do it. They could write a blank check.

Fish: One thing I want to make sure that we don't forfeit is acquiring it through an option of right of first refusal just gives us the control of the site, it doesn't mean that we necessarily exclusively develop the site. There is an upside of this site -- some blend of community needs, park needs, and other things. I just want to make sure that if our option expires, it expires because we consciously decided under no circumstances there are housing, parks, or other community benefit that we want to pursue.

Fritz: Commissioner, it would take additional general fund money to be able to buy it because we currently don't have the system development charges to buy it.

Fish: I understand that.

Hales: Sure.

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Schwab: The good band-aid, the good tourniquet is just renew that right of first refusal. In the meantime, I will have a bake sale.

Hales: Appreciate you highlighting the issue, Mary Ann. I think we can do better than band-aids and tourniquets and other metaphors we want to use. We have a very highly developed partnership with Portland Public Schools --

Schwab: No, it's frazzled. We can talk later.

Hales: We can talk later, let me talk now through. We have a highly developed partnership with Portland Public Schools that includes the City of Portland paying for really important things like school resource officers. We are not without leverage in this conversation, and I'm happy to make sure that the five of us are focused on not losing any good opportunities, because they're not making any more land. Appreciate your vigilance over this issue.

Schwab: That's correct, there's no more land. I'll be back.

Hales: I'm sure you will. Thank you. Anyone else it speak on this? So now entertain a motion to approve the budget adjustments.

Fish: So moved.

Novick: Second.

Hales: Further discussion? Roll call on approving the budget adjustments, exhibit 1, 7116.

Roll on budget adjustments.

Fish: Why are we doing Fritz first?

Fritz: I'm position number one and it's the PDC budget, not the Council order.

Hales: Wow.

Fish: You are always in position number one in my book, but I just -- since I have been used to being the first, I was just inquiring as to why we are changing the order.

*****: Can I say one thing more?

Hales: We're already in motion, so let us proceed here.

*****: Alright.

Fritz: Frankly, I just wait to be called, Commissioner Fish --

Fish: What is it about Fish and Fritz? I know there are some distinguishing characteristics, but we do get confused a lot.

Fish: It's easy to do.

*****: [inaudible] Rose Festival, this is the book. That is my comment.

Fritz: Very much appreciate the work of the Portland Development Commission. Your accommodation of many of Council's requests, including handling the ongoing funding for Voz and Southeast Works now -- that's great -- the partnership on figuring out how to fund tax increments -- use tax increment financing where appropriate and then general fund where appropriate I think is getting to the best of both worlds. Thank you. Aye.

Fish: Thank you, Patrick and senior team; thank you to the chair and leadership for the time you spend with us at this time of the year to get it right. I would highlight a couple of things. I'm very grateful for the deep commitment to affordable housing in North Macadam, and I also appreciate within the framework of the new strategic plan the additional emphasis we'll be placing on the creative economy as a potential driver as one of the clusters we'll be looking at. Beyond that, this is our last vote on the budget, so I will be brief. Aye. Thank you.

Saltzman: I want to thank the PDC commission and its chair and the staff of PDC. Pleased to vote aye.

Novick: I'm thankful that I didn't have to take up as much of your time discussing the budget as I did discussing the urban renewal boundary changes earlier in the year. Thank you very much. Aye.

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Hales: Well, thank you, Tom; thank you, Patrick and your team for great work. I appreciate it -- especially Patrick's fervor about this inclusive start-up fund and his real creative solution to making sure that we fund it. That came from a place of commitment to the goals that we have in this strategic plan and that we have for PDC and that both our board and executive director share with the Council to making sure that we are working on shared prosperity, not just surfing the wave of growth and investment that's coming our way otherwise. Thank you for that commitment philosophically and for a great budget for a great organization. Aye. And now, a vote on the budget as amended.

Roll on budget as amended.

Fritz: Aye. **Fish:** Aye. **Saltzman:** Aye. **Novick:** Aye. **Hales:** Aye.

Hales: And the budget committee of the Portland Development Commission is adjourned. Thank you. And we're done. Thank you all.

At 3:16 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 and should not be considered a verbatim transcript.

Key: ***** means unidentified speaker.

MAY 28, 2015 2:00 PM

Hales: Good afternoon, everyone. Welcome to the May 28th meeting of the Portland City Council. Would you please call the roll, Karla?

Fish: Here. **Saltzman:** Here. **Novick:** Here. **Fritz:** Here. **Hales:** Here.

Hales: Welcome, everybody. Let me set the stage here with some procedures that we follow in Council meetings. First, the purpose of City Council meetings is obviously the orderly consideration of the public's business. So, courtesy and decorum are really important here in this chamber, and that's why we welcome everyone in a wide variety and points of view into the discussions that we have here.

During this meeting, there will be time-limited opportunities for public comment on the agenda items that we have today. We don't have Council communications this afternoon, we just have regular agenda items. If you're here to testify, please state your name for the record. We don't need your address. If you're a lobbyist representing an organization, under our code you need to disclose that information please at the start of your testimony. If you're here representing a non-profit organization or an organization in the community, please disclose that as well. It's not required, but we appreciate it.

Typically, on a calendar where we have a lot people signed up -- and I think we do this afternoon -- we'll allow two minutes in individual testimony. Obviously, we have a land use case this afternoon and we'll go through the particular times associated with that. Please testify only to the matter at hand. If you have handouts, please give them to the Council Clerk so that she can distribute them to us.

We have these rules of procedure to preserve the public order and the record and the right for everyone to be heard. Any conduct that disrupts that process, like shouting during the Council meeting -- which unfortunately, we've had in a previous case -- is really unacceptable because it does prevent your fellow citizens from being heard and can't be allowed. So please, if you want to show your support or your opposition to one of your fellow citizen's points of view, feel free to give them a thumbs up or a thumbs down, but we ask that you not make vocal demonstrations in favor or against your fellow citizens' points of view so they get to express them. And therefore, I have to express this warning that anybody that disrupts the proceedings may be escorted from the Council chambers and excluded from City Hall. We did -- as I mentioned -- have a disruption at a previous land use hearing and we had to exclude a couple of people, and that's sad.

Regarding today's meeting, we have a lot of people signed up here today. We have an overflow room in the Portland Building for those that aren't able to fit into the Council chambers.

We'll go through the process here of what is involved in a contested case land use hearing in terms of the times of presentation, and then we'll have the Clerk call people up to testify. She'll read three names in order to come up to the table and then names from the next group so that people can be on deck. So, if you're in the Portland Building and the overflow room and you hear your name called, please come on over and that way you'll be here on deck ready to testify when the group that's already up is done.

Again, because of the number of people that we have signed up, I think two minutes a piece. We sometimes allow three, but I think in order to have everybody get heard, we're

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going to go with two minutes for testimony. There's a clock in front of us that at 90 seconds you'll hear a beep and a light that indicates that you've got 30 seconds left. At two minutes, you'll hear four beeps and the lights will flash. And that's so the next person can speak, so please close at that point.

At 6:00 p.m., I'm planning to close the hearing because Council members have other business. I think we can get through it all by then. Unless Council states otherwise, at the end of the hearing if we're unable to hear testimony today from everyone who signs up and wishes to speak, we'll continue to accept written testimony for the next two weeks - - which is our typical practice -- and then reconvene at a later date for appellants' rebuttal statements and deliberations. We'll make an announcement at the end of the hearing about times and dates for accepting written testimony and Council deliberation if we do follow that process.

Just to be clear, today's the day for oral testimony. Again, we'll take additional written testimony if we're not able to hear from everybody in person. I think that's the procedure that I need to go through, so why don't you read the item and then we'll ask the City Attorney to go through the land use process and I'll need to ask about ex parte contacts and conflicts of interest.

Item 547.

Hales: Great, thank you. Maybe I should start with that declaration. This is a contested case land use hearing and under state law, we're required to disclose if we have had any ex parte communications, meaning outside of this formal state-prescribed process, or if we have any conflicts of interest. Anyone have anything to state?

Fish: Mayor, my office has received lots of emails and phone calls and visits, and we've screened the Commissioner-in-Charge the way we do on all contested land use hearings.

Hales: OK. Anything else?

Novick: I got a couple of emails -- I don't know if she's actually a party, but I got a couple emails from Floy Jones that came to my personal email so I forwarded them to my work account. Did not review them in any detail whatsoever.

Hales: OK. Anything else? Anyone have any questions about those declarations? If not, then I'll turn it over to the City Attorney to walk us through --

Fish: Mayor, can I just raise a point of order?

Mayor: Sure.

Fish: Because this is an important topic for the community, I just wonder -- I don't know that we're on TV.

Hales: I think we are.

Moore-Love: I think they're having some technical difficulties. Working on it.

Hales: Alright. We should be on TV as we usually are, but we're not yet. OK. Hopefully, we're on audio.

Linly Rees, Deputy City Attorney: That's actually a good question. Karla, do we know if the audio is being recorded?

Moore-Love: Yes, I'm recording.

Rees: OK. Thank you.

Hales: That's good.

Rees: Are you ready?

Hales: Yes, please.

Rees: OK. So, the City Attorney begins with some announcements that help us confirm with state law, and they describe the way the hearing will be held today. This is going to be an evidentiary hearing, which means you may submit new evidence to the Council in support of your arguments.

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I'm going to talk first about the order of testimony today. We're going to begin with a staff report for about 10 minutes from the Bureau of Development Services, and then we're going to follow in this order. And it's a little unusual, we usually don't have two appellants. So, we're starting with appellant number one, which is the Water Bureau. They'll have 10 minutes to make their initial presentation. Followed by the Mt. Tabor Neighborhood Association as the second appellant who will have 10 minutes. We will then have public testimony which the Mayor has announced at two minutes each. Then, we'll have the appellant one, Portland Water Bureau's response for 10 minutes; appellant two, the Mt. Tabor Neighborhood Association's response for 10 minutes. If we get through all of that, we would then have rebuttal from both of the appellants, again in the same order -- appellant one Water Bureau, followed by appellant two, the Mt. Tabor Neighborhood Association. They will each have five minutes for rebuttal. Following that, there would be Council discussion.

I'm going to announce some guidelines for those who will be addressing Council today. First, submitting evidence into the record. Any letters or documents you wish to become part of this record must be given to the Council Clerk after you testify. The original or a copy of any slides, photographs, drawings, maps, videos or other items you show to Council during your testimony, including your PowerPoint presentation, must be given to the Council Clerk to insure they are part of the record.

Second, the testimony must be directed to the approval criteria for this review. Any testimony, arguments, and evidence you present must be directed toward the applicable approval criteria, or other criteria in the City's plan or zoning code you believe apply to the decision. BDS staff will identify the applicable approval criteria as part of their initial staff report.

Finally, issues must be raised with specificity. You must raise an issue clearly enough to give the Council and the other parties an opportunity to respond to the issue. If you don't, you'll be precluded from appealing to the Land Use Board of Appeals based on that issue.

Hales: I've got a question, Linly. This is kind of unusual proceeding for us to have double appeals. We often have appeals of a land use decision by someone, whether it's a neighborhood or an applicant. So, we have a section as we always do for public testimony. Do people have to sign up on one side or the other or have we --

Rees: Because we have appellants on both sides, we've simply -- in the notice that we provided, we just said "public testimony." So, I don't think we need to do it that way.

Hales: OK.

Rees: Also, can I confirm one thing? Because this is slightly -- what I got out of this is a little different. I want to confirm with staff that the appellant one and appellant two responses are after public testimony, or are they intended to be before?

*****: [inaudible]

Rees: I just want to make sure, because I've seen --

Hales: The initial presentation you mean?

Rees: No, their initial presentation is before testimony. I just want to make sure that their responses --

Hales: Oh, I see -- their responses.

Rees: I know they have a rebuttal period at the very end, but we have something called their response. Was that intended to be before or after testimony?

*****: [inaudible]

Rees: After?

*****: [inaudible]

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Rees: That's what I thought. So, I'm looking at this and I'm actually -- I'd like to clarify that -

Hales: Change that order? [speaking simultaneously]

Rees: -- because it's different than what I thought as I was reading from the sheet. My understanding was that both -- as we would if there were only one appellant, you have the opportunity to make your initial presentation and then the other party would have a chance to respond to that. So, we're actually going to go 10 minutes Water Bureau, 10 minutes Mt. Tabor Neighborhood Association, then 10 minutes for the Water Bureau to respond to what they heard from the Neighborhood Association and 10 minutes for the Neighborhood Association to respond to what they heard from the Water Bureau. At that point, public testimony.

Hales: Then we go to public testimony.

Rees: I apologize for the confusion.

Hales: No, that's alright. I think this is the first one -- at least that I've seen lately -- that we've had dueling appeals, if you will.

Rees: Me too.

Hales: Alright. Good. Other questions before we start the process? So again, people have signed up, and I'll just take people in order as they are on the list rather than worrying about which side of the appeal people are signed up on, right? Again, that's a little different usually we have people arguing in favor of the appellant - -

Rees: Do you have two different signup sheets?

Moore-Love: We do. We have support and oppose. Just appeal, no specific which appeal you support.

Hales: You have a signup sheet of supporters and a signup sheet of people who oppose the decision, right?

Moore-Love: We just put as oppose the appeal.

Rees: Which could mean anything.

Moore-Love: You know, I don't have the sign-up sheets up here --

Hales: Bear with us, folks, this is a little bit of uncharted territory for us, so our apologies. But it's normal that we would have a single appellant and somebody would either be supporting or opposing the appellant. In this case, we have two appellants with different arguments. So, my suggestion is we probably take that list as a committee as a whole and we'll let people let us know where they are and give the Council the opportunity to keep it straight rather than trying to re-sort the list.

Moore-Love: Right, because there's only the one.

Rees: I think one of the lists appeared at least a long time ago to be quite a bit shorter, so if you wanted to alternate, that would be fine, too.

Moore-Love: There are only two on it.

Hales: I'm sorry, say that again?

Moore-Love: There are only two on the other, which I thought said oppose -- or support the appeal, rather. Where the longer list says just to --

Hales: I think -- you've got more than 40 people signed up on the other list, right?

Moore-Love: Yes.

Hales: I would say let's just take both lists together. Again, there may be people -- well let me ask. This is a decision of the Historic Landmarks Commission, right? It's been appealed by two different parties. Are there folks here who are here in support of the Landmarks Commission? There's one. OK. Alright, so there are opponents of the appeal --

Fish: I think there's some confusion.

Hales: Yeah, I'm confused too.

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Fish: I think it's also a de novo hearing, so technically people can speak to any issue they want.

Hales: If it's a de novo hearing, we should take all.

Fish: I think we should take them as many as --

Hales: That's right. We'll take you in batting order and let you tell us which side of the case that you're on.

Fish: We'll try to keep it all clear. Mayor, I just want to go back to the audio/video issue. We may have one or more PowerPoints, and right now I don't know whether that system is working.

Hales: Hey, there we go. It's working.

Fish: Nice work, Karla.

Moore-Love: Yeah, so we'll be able to show the PowerPoints in Council. My understanding is the recording guy had trouble getting to City Hall. He's on his way.

Rees: One more question. Do we have people in overflow and are they at least able to hear the audio so that they would know to come over?

Moore-Love: Are there people in overflow?

*****: [inaudible]

Rees: We just need to make sure there are people who want to testify they can come.

Hales: We don't know if they've got audio over there or not?

Fish: I think we ought to wait.

Moore-Love: The video guy is there now, so we should get video up in any moment.

Fish: I'll just note, the Mayor has put money in his budget for a technology upgrade.

Hales: No kidding. Now we know why.

Moore-Love: Yes, we have people in the overflow.

Fish: There we go! Good job.

Hales: Alright. Let us begin with a staff report. That part at least is conventional.

Hillary Adam, Bureau of Development Services: Commissioners, Mayor. Hillary Adam, BDS. Thank you. This is an appeal of a Type III historic resource review and Type II environmental review, LU 14-218444 HR EN, the Mt. Tabor Reservoirs disconnection.

This is a quick zoning overview. The site is Mt. Tabor Park, zoned OS, which is open space, with environmental conservation overlay in portions. It's the Mt. Tabor Park Historic District and the Mt. Tabor Reservoirs Historic District -- the entire Mt. Tabor Park is a historic district. The approval criteria are the 33.846.060 G of our approval criteria, as well as 33.430.250 A for the portions in the environmental zones.

This is just an aerial view of Mt. Tabor Park, and you can see the reservoirs there with 6 to the west moving east, Reservoir 5, and then Reservoir 1 a bit to the south.

The summary -- and this is distilled a bit just because there are a bunch of different factors. But to simplify it, I have highlighted some of the major points. The Portland Water Bureau is proposing to cap and plug existing underground pipe in order to disconnect the reservoirs from the drinking water system. That would include removing some existing trees, and then landscaping and restoration of that landscaping, removal of the existing underground vaults, and construction of new underground vaults, construction of above-ground electrical cabinets on concrete pads, screening inlet openings and pipe openings, removing pipe ends, and installing caps on the outlet pipes, and minor alterations at Gatehouse 6 east.

The Historic Landmarks Commission -- we met for four hearings, and they ultimately decided 7-0 to approve the proposal with conditions, and I've included all of those conditions here. A is a standard condition that we apply to all land use cases, B -- I've highlighted and read portions of the conditions that are contested or up for discussion. I'll just read this aloud. Following the completion of the disconnection, Reservoirs 1, 5, and

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6 must continue to hold water within the normal historic operating range for each reservoir, which is 50% to 75%. The reservoirs must be maintained and had cleaned and may be emptied partially or fully for brief periods as necessary to address system operational requirements to maintain security, regulatory compliance, or for safety concerns. The reservoir shall not be partially or fully emptied for more than 60 days total, either consecutive or non-consecutive, within a calendar year except in emergency circumstances.

Any proposal to permanently remove the visible water from the site as required in the proceedings will require a follow-up land use application to be reviewed by the Historic Landmarks Commission.

I noted the 50% to 75% because this is potentially an error on my part, where the Water Bureau noted that the historic fill levels were 50% to 75% during one hearing and later said that they were 65% to 85%. So, when we were drafting this condition, my recollection recalled 50% to 75%, but the latest -- at that time, the latest value was 65% to 85%. So, I just wanted to clarify that point.

Fritz: So, your recommendation would be to amend that condition to say 75 to 85?

Adam: Right.

Hales: 65 to 85.

Adam: Yeah. Also, partially or fully emptied for more than 60 days total -- the Water Bureau has contested this whole sentence, actually, and they will speak to that.

Continuing, condition C was about an interpretation program to basically tell the story of the Mt. Tabor reservoir system, including the disconnection, so that people going there would know their history and also that they no longer contain drinking water, just to be honest about what they would be after the disconnection.

D is about archaeology. This is sort of a standard type of condition where there's extensive digging involved.

Condition E is -- the Water Bureau appealed based on this condition, and also Mt. Tabor Neighborhood Association has some points to make about this. I'll just read it. The City of Portland shall formally adopt the May 2009 Mt. Tabor Reservoirs Historic Structures Report and fully implement the short and long-term restorative recommendations and maintenance therein, including removal of non-historic elements, such as light fixtures and conduit, and restoration of the contributing resources of the Mt. Tabor Park Reservoir Historic District by December 31st, 2019.

This condition specifically was created during the fourth hearing, and I believe that it's a major point that helped a lot of the Historic Landmarks Commissioners get over the hump so that they could approve the proposal. They felt that there needs to be a long-term preservation plan at Mt. Tabor for the reservoirs, and so this condition was imposed. And we do have three of those Commissioners here to testify, so if you'd like to call them up after or during the public testimony.

These are the conditions that were applied to the environmental review portion of the decision. As far as I know, there are not any major concerns with these. So, I included them just to be complete.

Appellant one. Their reasons for appeal was the statement in condition B, the reservoirs shall not be partially or fully emptied for more than 60 days total, either consecutive or non-consecutive, within a calendar year except in emergency circumstances. The Water Bureau contends that this aspect is mathematically impossible to meet, and I'll let them address their concerns with that. But I just wanted to point out that the Landmarks Commission, their primary concern was that the water level in the reservoirs would be maintained at historic levels -- sort of that iconic postcard view. It was also important for the State Historic Preservation Office. They made a point of saying that

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they found in adverse effect as long as there was water kept in the reservoirs at their historic levels.

Condition E. The Water Bureau is appealing that entire condition. They say that they do not have the budget to implement all those restoration components. And again as I said, the Landmarks Commission -- their primary concern was to ensure the long-term preservation of these historic resources.

Appellant two, Mt. Tabor Neighborhood Association. These were the reasons for the appeal listed in the initial appeal application. One, BDS failed to require identification of legal boundaries to demonstrate the applicant has the authority over the subject property. To that -- I just provided simple responses. The property is owned by the City. The Water Bureau is acting as an agent of the City, and Parks agreed to work with the Water Bureau as part of the proposal.

Two, the proposal changes the amount of existing basic utility use by more than 10%, therefore, the conditional use is required. Section 33, 815.040 A. BDS does not believe that applies because the proposal is not for a new conditional use, a change to another use in another category adding another use, or changing any specifically-approved amount of the existing conditional use.

Number three, the exterior improvement area exceeds 1500 square feet, therefore a conditional use is required. The exterior improvement area does not exceed 1500 square feet and the record shows a net loss of exterior improvement area.

Four, the record lacks sufficient evidence demonstrating that the applicant retain and preserve the reservoirs, therefore approval criteria number one is not met. And condition B requires the reservoirs be filled with water at their historic levels in order to ensure that the approval criteria number one is met. And the approval criterion does not require that the water be potable.

Number five, the project jeopardizes the existing conditional use status and does not ensure possible future restoration of a historic function of the site, therefore approval criteria number two and number nine are not met. The conditional use status of the site is not jeopardized by the disconnection as the status is not changing. While not specifically required by the approval criteria, the disconnection is designed to be reversible in response to the public comments. Approval criteria number nine are met with the conditions attached to each.

Mt. Tabor Neighborhood Association provided additional requests, and I'm just going to list them here. I'm just going to need a bit more time.

Hales: That's fine. We typically grant staff more time on a complicated staff report. Go ahead.

Adam: And I'm sure that they will elaborate, I just wanted to highlight them. One, deny the applicant's challenge to the clause in condition B that protects constancy of the iconic views. Two, deny the applicant's challenge to condition E -- instead, respect the Historic Landmarks Commission mandate for historic preservation work at the historic Mt. Tabor Reservoir site. Three, correct the scrivener's error in condition B, strike the incorrect 50% to 75% reference supplied by BDS staff during the Landmarks Commission deliberations and replace it with 65% to 85%, which is the range set forth by the applicant testimony, exhibit H51. Four, clarify the language of the condition B. Revise the current text of the historic operating range to read "the normal historic operation range producing iconic views." Five, limit the timeline of condition E preservation work so as to be concurrent with the time line of other construction. As such, we ask Council to shorten the completion deadline for the preservation work to May 2017. Six, strengthen the Landmarks Commission's efforts to protect Tabor's historic assets. We ask you to require the applicant to, within one year, craft a written long-range preservation plan including at least five years

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of budget projections, in concert with SHPO and under design advice review with Historic Landmarks Commission to be formally adopted before Council. And seven, direct the applicant to one, file for conditional use review before proceeding further; and two, develop a plan to protect the site's existing conditional use status, which is basic utility.

And so you have two options today. One is to adopt the Historic Landmarks Commission's decision of approval with conditions, thus denying the appeals that would be accepting it as it is written. Two, modify the Historic Landmarks Commission's decision of approval with conditions by revising, adding, or eliminating conditions, thus accepting part or all of either appellant's appeals. That is it.

Hales: OK. Questions?

Fritz: Isn't a third option to deny the application?

Adam: That is a possibility. Neither of the appellants is requesting that, so that is why I left it off.

Fritz: Thank you. And I have a clarification -- and I don't know whether you can ask this or maybe the Historic Landmarks Commissioners can -- regarding the condition of approval about the Historic Structures Report. It's contested. So, on page 19 of the hearings officer's decision addressing the approval criterion for the historic features, there's a discussion that there was going to be a proposal to repair the Reservoir 1 parapet, and that was withdrawn. And it says the commission notes that it's most certainly in need of repair, encourages the Water Bureau to present a proposal for repair of the parapet wall, and then no deteriorated features are proposed to be replaced and therefore this criterion is not applicable.

But then turning to page 21, there's an extensive discussion of repairs, and the proposed condition of approval to require all kinds of renovations, which I've looked up the report, and there's several pages of different things, which presumably we have to go through the Historic Landmarks review.

Adam: Potentially. Repair and maintenance are exempt from historic resource review. So when this first came in, it included repair of the parapet walls at Reservoir 1, and I advised that they withdraw that portion because it did not seem like it was subject to review and also I just didn't know if it was the right -- in order to move forward, I didn't feel like I had enough information at the time. But I felt like it was potentially exempt. And from what I heard from them at the time was that they had budgeted for those repairs and they were still planning to do that. But where that is in the process, they would probably be the better ones to ask.

Hales: But that's the rule how we proceed with historic landmarks, right? If you are going to repair or renovate the existing historic features, you don't need to go through a Landmarks review. If you're going to change the existing features or remove them, you do.

Adam: Yes, right.

Fritz: And has staff done any assessment of the table of repairs outlined in the structures report to see if they're all exempt?

Adam: I haven't gone through it to look at that like that, no.

Fritz: OK. It's -- and how much discussion was there at the Historic Landmarks Commission about the content of that report?

Adam: There was quite a bit. The neighbors introduced that into the record and raised concerns that a lot of those aspects had not been completed yet. The Water Bureau responded to that, and I think their concerns were about budgeting in terms of how they're moving along that path, but they have not formally adopted that report by now.

Fritz: OK. And I have a question for City Attorney, which I think I know the answer. The Historic Landmarks Commission cannot direct the Council to adopt something, is that correct?

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Rees: No, they can recommend.

Fritz: Thank you.

Hales: Other questions for Ms. Adams? Thank you very much. Let's move on into the procedure as we've had it outlined. We will take appellant number one, and that is the Portland Water Bureau. Good afternoon.

Teresa Elliot, Water Bureau: Good afternoon, Mayor Hales and Commissioners. I'm Teresa Elliott, principal engineer with Portland Water Bureau, and I'm in charge of the Tabor Reservoirs project that's before you today. With me are Mike Stuhr, David Shaff, Tom Carter, and Kristen Minor from Peter Meijer Architects.

Kristen Minor: Good afternoon, Commissioners. I'm Kristen Minor. The Portland Water Bureau asked my office to review the proposed work as a historic consultant using the lens of both the City's approval criteria as well as the State Historic Preservation Office, commonly called SHPO.

Most of the work proposed occurs in one or both of two National Register-listed historic districts. Both were put on the National Register in 2004, and there is no other known instance of one historic district being entirely nested within another one -- a very unusual circumstance. But they do have a slightly different focus. One is on the reservoirs, the gatehouses, and the working water system; the other is really focused on the park and its features, playgrounds, public walkways, picnic structures, etc.

Because there are alterations proposed within a historic district, the City review is a historic resource review. There's also a staff level environmental review that was folded in. I have reviewed the documentation submitted to the SHPO which explains the work in detail to them, and the SHPO found the work proposed would have no adverse effects on either historic district.

Hillary has noted the elements of the proposal, but just a quick run through -- I have a summary again. The major work is to disconnect the reservoirs from the drinking water system. Secondly, to construct a buried large diameter pipe to bypass the reservoirs. This work is primarily under existing roadways and in open lawn areas. Water will be maintained in the reservoir basins.

In the photo on the left is Gatehouse 5, and you can see a new little round inlet cap appearing above the water. On the right, you can see Gatehouse 1. It has a new inlet cap as well on its side and a new screen on the basin weir, which is that horizontal dark area. In these renderings, the caps were given a higher contrast just to make them easier to see. They would blend in.

Historic districts may have contributing and non-contributing resources. Contributing resources date from the period of significance, which in this case is 1894 to 1953, and they're related by use and construction. Non-contributing resources were added after the period of significance and don't contribute to the historic character of the district. As an example, the photo on the lower right.

The Reservoir historic district has 12 contributing resources, which I'm listing out for you on the slide there, and then three that are called out as non-contributing. In the larger park historic district, there are many more of each.

In this case, alterations to contributing resources have a very minimal visual impact. The review also considers the larger district-wide compatibility, including the character of the landscaping. Each area is generally described in the historic nomination in terms of its character and feeling, if you will. The proposal keeps the landscape character of each work area.

We assessed the proposal's effects on landscaping and views and found no significant visual change. On the left is a photo of the construction that was required to bring in the fourth conduit at Reservoir 5 weir inlet, and I think this photo dates from

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approximately 1940. As the City's water usage expanded over time, so did the water supply system. The piping and buried infrastructure has been added to and altered over time at the site. Underground work is typically not reviewed by the City, as it's not in the end visible. On the right is the weir inlet at Reservoir 5, actually the same location as in the photo, which will have a screen added. It's very hard to see, it's inset and in shadow.

The work proposed -- even that work underground -- will be reversible, meaning that the historic resources could be restored to their original condition after the work is completed. Reversibility isn't a code requirement. Proposed work should be undertaken in a manner that, if it's later removed, historic resource would remain unimpaired -- and that is the case with the proposal.

As far as visual impacts, there are very limited visual impacts overall. Alterations to contributing resources are extremely minor and the state did agree that the work did not cause any adverse effect and therefore, no mitigation was required for the historic proposal.

Elliot: The Landmarks Commission proposed the Water Bureau's -- approved the Water Bureau's land use application with five conditions. We're only appealing only two of these conditions.

The Water Bureau's original proposal stated that we would fill and refresh the reservoirs, and we are committed to doing that. We're happy to meet the other conditions, too, such as the requirement to construct educational components to explain the history of the water system and the site. The Water Bureau is not appealing the entire decision, we are appealing part of the wording of condition B and all of condition E.

First, I'll talk about condition B. The Water Bureau asks that the sentence highlighted in red be removed and, if necessary, replaced with a sentence like submitted in the written testimony on May 14th.

The Water Bureau uses two operating ranges -- both of them are correct -- 50% to 75% and 65 to 85%. The difference is an operational issue balancing the needs upstream and downstream of the reservoirs. I'm going to walk through a couple of quick slides to explain why we cannot meet the 60-day restriction in condition B. For simplicity, I've used 50% and 85% levels to illustrate the draining, cleaning, and refilling cycle.

Fish: Could you pull the mic down a little bit? There you go. Thanks.

Elliot: There is a memo in the record that explains this in more detail. Today, most of the water in the reservoirs is released into the reservoir -- into the distribution before we start the cycle. We drain to the sewer only about four million gallons, or 3% of the total volume, which takes three days. In the future, the full volume in the reservoirs has to be drained to the sewer as non-potable water. At 50% full, it would take 45 days to drain 65.5 million gallon of waters held. At 85% full, it would take 77 days to drain 111 million gallons. These calculations are based on the discharge rate of a thousand gallons a minute, which is dictated by the permits from BES and DEQ.

Once the reservoirs are drained, it takes about 14 days to clean all three reservoirs, and another seven days to start refilling them. The amount of time cleaning and refilling is not expected to change in the future.

Today, the total time to drain, clean, and refill is about 24 days, not counting our disinfection time. Under the future condition at 50% full, it would take 66 days per cycle to drain, clean, and refill all three reservoirs. At 85% full, it would take 98 days.

The Water Bureau can meet condition B provided it's modified as requested. As long as it remains, we can only clean once a year. And even then, it would take more time than the condition allows. What's more, we also need time for the reservoirs to be empty to do any repair and maintenance. The 60-day time limit does not allow time for that.

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Tom Carter, Water Bureau: I'm Tom Carter with the Water Bureau. I will talk about why the Water Bureau asks that condition E be removed entirely from the decision. Landmarks Commission's findings indicate that the proposed work will not adversely affect the historic resources, and the zoning code does not mention or require mitigation or restoration in its approval criteria. So, condition E is not connected to a specific criterion that makes a legal connection, a legal requirement. Condition E also requires removal of all non-historic elements. And this is a working utility site. We use many of these elements, so it's not possible to remove them without crippling parts of the water system.

If interpreted literally, we would be removing non-intruding elements such as our pump station, electrical and metering cabinets, vaults, and so on. There are no zoning code criteria or provisions that could require their removal, and each removal would require a new historic review for altering elements in the historic district.

Condition E also uses the Historic Structures Report as a work plan, but the Water Bureau commissioned this report in 2009 to lay out options for planning future work. If the Water Bureau could do all of the work listed, the total cost is estimated to be about \$8 million in 2018 dollars. But condition E requires it to be finished by 2019. Removing the non-historic elements would be very costly and on top of that.

We support maintaining and restoring the facilities as allowed. In fact, we did budget \$100,000 to repair the deteriorating wall there on the upper left. But because no review is required for repair, it is not in your packet. So, our ongoing operations include historic maintenance and repairs and having guided by the Historic Structures Report -- [beeping] -

Hales: I will allow you another minute, but I'm going to do the same for the other appellant.

Carter: Thank you. Much of this work requires special skills and contractors. One major project is shown in the slide, it was the restoration of Gatehouse 1 façade. We did receive a grant for a small portion of the work, and it ultimately cost a bit over \$200,000.

We are stewards of these historic resources as well as the water system, and we must simultaneously balance cost of maintenance and restoration, water system needs, and the needs of the City as a whole. So, these decisions are recommended by the bureau, but we believe they're properly made by City Council through the citywide budget process, not through land use review decision. In summary, we ask for condition B to be modified as we have written in the letter to you of May 14th, and for condition E to be deleted from the decision. Thank you.

Hales: Thank you. Questions? I have one, and that is the cycle that you described of filling -- I'm sorry -- draining, cleaning, refilling, and the thousand gallons a minute that you would drain the reservoir at that rate -- you said that's a permit requirement, that's not a physical restriction. Could you drain the reservoir faster if the permit required that or is that a size of plumbing issue?

Elliot: Actually, it's both. It's a permanent requirement from both BES and DEQ, and they give us an operating range between 1000 and 1500 gallons per minute during dry weather. It is designed based on their system to make sure that we are not overwhelming their system and causing a combined sewer overflow to the river and then getting citywide violations and fines. So it's both.

Hales: My question is, what are the physical limitations?

Elliot: The physical limitations are the pipe diameter that it's going through.

Hales: And that physical limitation is how many gallons per minute?

Elliot: That's basically is that 1000 to 1500 gallons --

Hales: You couldn't do it faster if there were no regulatory issues?

Elliot: No.

Hales: OK. Because I would think there might be a way to solve that problem.

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Elliot: Not without laying a new sewer line.

Hales: Right, the sewer line is the size that it is, I get that. But if it's a paperwork issue, that might be modifiable. Other questions? OK. Thank you. Obviously, we'll have you back later for response. Let's call the other appellant, the Mt. Tabor Neighborhood Association, and again, give you 11 minutes for your presentation. Good afternoon.

Ty K. Wyman: Good afternoon, Mr. Mayor and members of the Council. Very nice to be here. Ty Wyman, attorney for Mt. Tabor Neighborhood Association. I'm joined at the table by Stephanie Stewart, who is the chair of the land use committee at MTNA. She's a 16 year resident of the Mt. Tabor neighborhood and has been actively engaged in the reservoir issue for seven years. To my far right is John Laursen, a 15-year board member at MTNA, 33-year neighborhood resident, and he wouldn't give me the number of years he's been actively involved in the reservoir issue -- he just said "many."

Commissioner Fish called this a de novo hearing, and at some level it is because you're taking evidence. But it's not de novo in the sense that you do have a big record that has been given to you. A big record, a complete record, one that went through -- was it three, was it four hearings -- and lots of written testimony. When I'm given a case like this, I encourage my client to put in writing well ahead of the hearing what their basic points are. We have done that. Stephanie and John submitted something about a month ago. Given that, we view ourselves as here today primarily for your questions.

Again, you're given a big pile of paper, asked to make a decision out of it. We've already seen how confusing it is, just procedurally. So, please, fire away with your questions. We want to hear them.

As for my involvement in this, I was brought into it only about a year ago, strictly as a land use lawyer to help the neighbors make sense or understand better the land use process. My job over the last 20 years pretty much has been to review, understand, and apply land use codes, and I have heard a great deal of frustration -- as I'm sure some of you have over those years -- with codes. And the codes are full of this minutia and where does this minutia come from and what does it mean and why does it exist? I say to pretty much all of them, "well, all of those code provisions are at the end of a strand that leads all of the way back to the 19 statewide land use planning goals." Those set the policy, the code implements the policy, and as you can probably tell, I want to emphasize to you what your code says because your code is very thick and I don't want it to get lost.

I also want to contrast a little bit on some issues, on some land use issues. State law is quite prescriptive, frankly, and tells cities "this is how you will regulate development." Certainly, goal three on farmland is that way.

Goal five on natural and historic resources is less prescriptive. It really lets cities decide for themselves how they want to go about protecting them. A suburban city -- Tigard, just as an example -- I looked at their code and their code allows alteration of a historic structure based on, quote, "the reasonableness of the proposed alteration and on its relationship to the public interest in the structure's preservation." Well, that's kind of -- that's one that we lawyers tend to love. It's a little bit of a balancing. It calls upon a balancing of interests.

Well, the Water Bureau did not stress to you, did not clarify for you what we're calling approval standard number one under your historic preservation code. It says simply, quote, "the historic character of the property will be retained and preserved." There is no balancing required. It is an absolute requirement. Furthermore, the word "preserve" is, in my mind, in my experience, a very strong word. And I went to Merriam Webster, and its definition of "preserve" is to keep its original state or in good condition. Of course, this will lead into the factual testimony, which I'm sure you're going to hear plenty of. If you've read the record, you have seen plenty of.

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These resources are not, have not been kept in anything close to original state or good condition. They have to be -- your code requires them through this process to be preserved as such. "Preserve" also means to keep something safe from harm or loss or to prevent something from decaying. That is the -- that is the cornerstone obligation. It's not the only one, but that is the cornerstone obligation that is on this applicant, the Water Bureau.

I want to make one other perspective about this process because, again, you go to most other cities, a historic preservation process is going to be heard by a lay body. It's probably going to be heard by a planning commission, maybe a hearings officer. Not here. You have impaneled a group and given them very specific jurisdiction over historic resources and I believe that the group even is not a lay body, but they are folks with demonstrated expertise in historic resources. And so, that's the hill that this applicant had to climb. As you can tell, obviously, we don't feel like they climbed it and now they're trying to back down it a little bit. But with that, I'm going to turn the floor over to Stephanie.

Stephanie Stewart: Hi, I'm Stephanie Stewart, and as Ty introduced, I'm the land use chair with the Mt. Tabor Neighborhood Association. I've been working on this case rather intensely for the last 16 months.

At 120 years and counting, Mt. Tabor is unquestionably a testament to the kind of visionary planning many of us hope to leave as our legacy, and Mt. Tabor preserves captivating story of American ingenuity. Generations of Mt. Tabor residents have worked to protect that story and this site on behalf of all Portlanders for all Portlanders to enjoy. Our legacy is clear.

Today, you chart the course for the next 100 years for Mt. Tabor. You hold in your hands the next generation's experience of this park. Will you keep this story and this park whole, or will you allow a giant hole to be left in it? We're asking you, take the advice of the Historic Landmarks Commission. And that advice is to fill the reservoirs, preserve the structures, preserve the views, and preserve the park experience. It's the low-cost option for keeping this crown jewel of a park whole, and it also respects the history that the site preserves.

John Laursen: My name is John Laursen, I'm a long-time member of the Mt. Tabor Neighborhood Association board. I've been before you before. I've owned and operated a graphic design business in Portland for 45 years. I work with Portland Parks and Recreation as a member of the design team that created the Oregon Holocaust Memorial in Washington Park. I served as the topographer for monuments at Director Park. I served as a member of the citizens advisory committee for the Hawthorne Transportation Plan. I served in that capacity so long, having been appointed by City Commissioner Blumenauer, that when I retired, it was under the administration of Sam Adams. I also served on the non-conforming sewer committee that was established by Commissioner Saltzman. And so, I've worked with Parks, I've worked with BES, and I've worked with PBOT, and I have to say that I've worked happy and collaboratively with them. And I've just been completely confounded by the Water Bureau's approach to Mt. Tabor.

Here we are at odds for reasons that are genuinely mysterious to Portland citizens, not just Mt. Tabor citizens, but across the city. Our position, that these historic structures should be preserved and that they should be kept filled with water, is just common sense. How is it possible that the bureau sees it so differently?

I've spent a lot of time at why the Water Bureau and community are at loggerheads at this unfortunate way, which is costing so much time, energy, and effort all the way around. The fundamental disconnect, if you'll pardon the pun, is that the Water Bureau sees the reservoirs in only the most strictly utilitarian terms with little regard for their condition and appearance -- as you've seen in these photographs -- with little regard for

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condition and appearance while the rest of us see the reservoirs not simply as a utility, but as an integral part of the experience of a beautiful park, the crown jewel of Portland's eastside -- which is exactly what they were intended to be when the city fathers hired the Olmsted brothers to design Mt. Tabor Park more than a century ago.

The Water Bureau, though, looking at reservoirs through its particular professional prism, does not see any value in taking care of the reservoirs as historic resources. The inescapable fact is that they are historic resources. They are listed on the National Historic Register, and moreover, they are historic reservoirs that are historic fixtures of the park.

The Water Bureau says in the appeal that it, quote, "balances dual responsibilities at Mt. Tabor: operating a safe, effective drinking water supply system and being a steward of the historic resources" unquote. The community knows, though, through years of sad experience that the bureau does not do a good job of balancing those two responsibilities. That is what the record shows, that is what these slides show, and that is why the Historic Landmarks Commissioners unanimously decided to mandate future behavior and management practices for the historic resources.

The bureau's existing management practices do not come close to meeting the approval criteria for historic resource review. I own a commercial building on Hawthorne Boulevard and I know exactly how attractive a target for graffiti and for trash that those large concrete expanses will be if they are left empty for any length of time. There is every reason to believe that the cost of cleaning empty reservoirs may well exceed the cost of cleaning them if they are kept filled with water. In all likelihood, fill and preserve is not an expensive choice and is in fact the least cost option.

The conditions imposed by the Historic Landmarks Commission are necessary to comply with the code. Those conditions also align with the desires of the community. And filling and preserving is the least cost option, so they also align with budgetary concerns in both the short and long run. For all of these reasons, we respectfully ask you to deny the Water Bureau's appeal and to uphold and reinforce the decision of your Historic Landmarks Commission requiring that the reservoirs be filled and preserved. Thank you.

Hales: Thanks very much. When you come back on response later -- you probably are already planning to do this, but I want to hear from you. The Water Bureau just made practicability arguments about both condition B and E. Don't need to do it now, but when you come back --

Laursen: This is the first time we've heard those arguments because they said it was two weeks in testimony.

Hales: We'll give you a little more time. That is about 10 minutes. I'll give you a little more time to think about a response to that. I'm being a little flippant, but I'm serious, I want to hear your response to that practicability argument that it's going to take -- as I understood their argument -- it'll take longer than 60 days to drain and refill, given the capacity of the pipe and regulatory restrictions. I want to hear your thoughts about that. And then, the full compliance with condition E would require removal of equipment or facilities that ultimately are necessary, if I can paraphrase their argument. So, I'll give them a chance to rearticulate that argument if I didn't get it right, but I would like to hear when you come back your response to those counterclaims from them about these conditions.

Laursen: OK.

Wyman: Thank you very much, Mr. Mayor.

Saltzman: When you're referring to fill and preserve the reservoirs, you're not saying with drinking water.

Laursen: No, we're saying keep non-potable water. And we understand that this is not the venue -- we the Mt. Tabor Neighborhood Association understand that this is the land use

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hearing. We're not saying -- we're not arguing that question here. We're trying to be very clear about that.

We are saying -- as appellants, we are saying please keep water in the reservoirs so that they look the way they look. That is how the citizens of Portland expect them to look, and we are saying, preserve the structures instead of allowing them to crumble into disuse. And we are asking for that, we're asking for it not for our neighborhood per se, but for everyone in Portland and for the generations to come, as you can see in the photograph.

Fish: Mr. Wyman, you did invite a question. I don't want you to leave the table without a question. I don't want you to feel disrespected. Both sides have talked about least cost option or brought cost into the equation. Do you have anything you want to share with us about the role -- the relative importance of cost as any part of our consideration in this proceeding?

Wyman: Boy, I, Commissioner-- let's just say I could consider that to be a leading question. The short answer is I candidly don't. And the analogy that I make is a developer coming to you or to one of the lower hearings bodies here and saying, "gee, we would just love to comply with the criteria of that code, but it's just too darn expensive and we can't do it." I have never heard that.

The only way in which that argument is made and articulated by developers is through the Dolan proportionality analysis, which actually somewhat ironically -- and now I know I am off answering your question -- but the Dolan proportionality principle, which ironically the Water Bureau articulated. So, they are essentially saying that condition E would affect the taking of their property by the City, which I'm pretty sure is a non-starter of an argument. So candidly, I -- unless you can give me an example, I honestly don't see where that cost issue comes into play in these criteria, which I pointed out, I just see as absolutes and not that balancing. If it said "to the extent feasible, preserve the resources," which is a very common term in land use codes. I'm sorry, I went on a little bit.

Fish: No, I appreciate that. What I take from that is that the question of whether the ultimate outcome provides a sticker shock to either ratepayers or taxpayers in your view is not relevant to the consideration of what needs to be done to preserve a historic resource.

Wyman: That is correct.

Fish: Thank you.

Hales: Yeah, and you've got that in your brief here as well. Thank you. Other questions?

Fritz: Neither Commissioner Fish nor I declared as an ex parte contact what's in the public involvement document regarding the discussions that we had before the application was submitted. So, I just wanted to mention that that was because that was before the application was submitted, and also to thank the Mt. Tabor Neighborhood Association for your constructive participation in the pre-application discussions with the Water Bureau.

I want to thank the Water Bureau for their tours, which I participated in, and the really collaborative and helpful input that we received from neighbors to modify -- that the Water Bureau received to modify their application. It's good to hear us coming here to argue about the conditions rather than -- as was clarified by Ms. Adam -- that you are not asking for the approval to be rescinded or for us not to approve. I wanted to make that clear to check on that, too -- that you are asking for the conditions, you're not asking for us to reject the application.

Stewart: We're asking for you to uphold the HLC decision and to -- as you'll see in our documents -- to possibly strengthen them with some refinements that we've suggested. And there is one public process that we do feel we missed that we have also asked for in our appeal.

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Fritz: Yes, I saw that. You didn't discuss that in your testimony just now, I was wondering about that.

Stewart: If you'd like to know more about that, I'm happy to speak to that. It's the conditional use review. We do feel that this project triggered a conditional use review, and that seems to be a difference of reading the technicalities of how the code is written. Right now, for instance, in the presentation that you saw from BDS, they said that the development has not actually expanded beyond 1500 square feet, and we argue that the development has expanded beyond 1500 square feet. Water Bureau asserted that development that's happening below ground is not normally considered development, and we are arguing that when below ground development has above ground implications -- as it does in this case -- the pipe restricts trees from being planted in our tree park -- that we have then hit the trigger that would start the conditional use process, which is designed to evaluate whether or not a project changes the character of a site. And changing tree planting restrictions in this park does potentially affect the character of this park.

Laursen: The Water Bureau has introduced an assertion that's never been historically true in Mt. Tabor Park. They're now saying that above their pipe and for 10 feet in each direction, no trees can be planted ever -- forever and ever, amen. That's of course not true anywhere else in the city where pipes run underneath trees and infrastructure and streets and buildings everywhere, but they're saying they're now asserting in Mt. Tabor Park that trees cannot be planted above any of their pipes. So, for instance, taking the trees out of Mt Tabor -- the trees that they are going to have to cut down, they will be mitigated -- even if they're taking mature trees -- because they're eliminating some areas of Mt. Tabor that can be planted with trees, the mitigation has to be saplings planted as street trees elsewhere in the city and can't be planted in Mt. Tabor Park there because they won't allow trees to be planted above their pipe. Right now, there are the same diameter pipes in Mt. Tabor with trees growing above them, but Water Bureau is asserting that it now has the use of that land in perpetuity above its pipes. And that changes the character of the park and that's why we wanted the conditional use.

Fritz: And the tree planting is something that you think would be better addressed using the conditional use approval criteria?

Stewart: Yes.

Fritz: I see. And could you also -- when you come back for a response -- address their proposed changed wording to condition B as to whether you think that that is acceptable or if you have a counter proposal? Thank you.

Fish: Commissioner Fritz, can I add a comment to your comments earlier? I want to also thank Commissioner Fritz, Stephanie and John and others from the neighborhood association. When this first came to me, I believe it had been determined to be a Type II land use proceeding. And I believe based on the feedback we got, we made it a Type III. And originally it's an administrative decision. I was persuaded based on the arguments of the neighborhood that Type III would give a more robust public process. I appreciate the argument that you made to that effect, Commissioner Fritz. I thought it was the right thing to do. I also appreciate the work that the neighborhood association and committee members did as part of that citizen panel. And it is somewhat unprecedented for Parks and Water to work this collaboratively, and I thank the Commissioner-in-Charge for setting that standard.

Fritz: Thank you, Commissioner. Certainly, our staff have all done a good job. Finally, when you come back -- supposing we don't agree with you on the issue of the conditional use -- and you can do this in written testimony as well before the record closes -- are there some additional conditions addressing trees that you would like to see that might address the concern directly rather than going through the conditional use process? I'm really

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encouraged that we seem very close to figuring out something that might work, and so I'm hoping that we can do that in this process.

Laursen: That would be great.

Hales: Other questions? Thank you very much. We'll see you back here in a while.

Wyman: Thank you.

Laursen: Thank you.

Hales: I know we are ready to move to response now, but I also heard from Ms. Adam that we have some members of the Landmarks Commission here. Checking with our City Attorney -- it might be appropriate to give them the opportunity, if they want to, to speak now as opposed to after response. What do you think?

Rees: If we were doing this as a typical appeal, they would -- we would generally give them the courtesy of being the first ones to testify as part of public testimony, but not typically in between the appellant and the response.

Hales: Oh, OK.

Rees: That's at your discretion.

Hales: I won't be that courteous then, sorry. These volunteers give us a huge amount of their time, I was trying to save them a little of it but we'll make them wait another 20 minutes because I think you're correct. OK. Let's move 10 minutes for a response from the Water Bureau to the Mt. Tabor Neighborhood Association's appeal and their statement.

Elliot: I'm Teresa Elliot, and with me are Kristen and Tom to respond to the public testimony and also to the other appellant's comments. Our public outreach was scaled appropriately for the size of the project and the level of construction impacts. The design does not significantly alter the historic structures and minimizes impacts on historic districts, so the outreach was focused on construction impacts.

Early in 2014, we modified that outreach to accommodate the higher levels of interest from the neighbors and the community groups. We set up walking tours to explain the project, and we set up and participated in a community advisory committee to look at options to reduce construction impacts on the parks and the neighbors. We submitted a report today that summarizes that outreach.

As an example of the changes the Water Bureau made to address public comments, pipe alignments in three locations were modified to increase the number of trees being saved and protected. Photos on the right show trees below Reservoir 1 that were saved by realigning one of the pipelines. We expect to continue to use the site as a basic utility, and the proposal is completely reversible.

The Water Bureau chose to commission the Historic Structures Report in 2009 in order to identify, prioritize, and select potential projects. Some of this work has already been done, and we'll show you examples of that in a moment. The report offers multiple options on many historic restorations and repair items, and applies cost estimates for some items, initially having a planning level cost of \$1.5 million. Nowhere in the report does it suggest removing non-historic elements. We cannot remove the non-historic elements and be able to operate the system.

The Water Bureau has attached cost estimates to the things that were missing in the report and updated the costs to 2018 dollars needed in order to comply with condition E. We estimate that the complete work in the report would cost at least \$8 million. Removal of the non-historic items are not included in that estimate and would be expensive and would require additional historic reviews. This would also result in removal of critical infrastructure, such as the Tabor pump stations, which are not historic but are still in use.

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Minor: I want to touch on some of the ongoing work that's occurred in the last decade or so at Mt. Tabor so I can illustrate the specialization that is required to work on contributing resources.

The first slide here shows gatehouses. Gatehouse 1, shown in the pictures on the left, has a patented finish by Ernest Ransome. It is concrete, but it's designed to look like stone. The surface is highly rusticated and hand-finished, and a series of molds were created of these rusticated blocks so that the surface could be replicated, and those blocks were slightly curved at the two ends by the shape of the gatehouse and then had to be flat in the middle areas.

Photos on the bottom right show that the sills were completely recast. Cornice details were also recast using what you see there are epoxy negatives. The concrete color and aggregate needed to be matched exactly, and contractors had to be specialists in this type of work.

The Reservoir 1 equipment platform and gatehouse platform, which you see in that lowest left-hand photo, were both also replaced or rebuilt at that time and those pieces of work needed historic design review.

The Historic Structures Report had a planning level cost for this item, but the true cost of the work ended up being about four times the planning cost estimate. Now, at the upper right, you see Gatehouse 5, which received new handrails for accessibility, the steps were patched and restored. Doors, door frames and windows were replaced or rebuilt all in 2008 to 2010. And again, that work did require historic design review.

The next slide here is for concrete work at reservoir basins and perimeter walkways. There's been much ongoing basin work. All of them have been patched and cleaned of debris on a regular basis, but then concrete repairs plus liner was added to Reservoir 5 in the 1990s, and there have been major linings many decades in a row in 1965, in 1975 -- there are many photos that show up when you just look through City archives of those photos. So, they're occurring on a regular basis as needed.

Sidewalks were extensively repaired around all three reservoirs in the 2008, 2010 project under a separate historic review. To meet the approval criteria, which is based on the Secretary of the Interior standards for historic structures, sidewalks have to retain their original width and simple scoring pattern of the original design. With the root damage, freeze and thaw cycles, pipe access, etc., much of the sidewalk surfaces have needed repair or replacement over time. And this type work is less historically demanding, so a specialized contractor isn't always necessary but the concrete does have to match the appearance of the original in color and aggregate as much as possible. So, the bottom right photo shows concrete samples being visually evaluated for a match with historic concrete. Even putting in a curb cut can trigger a review in a historic district.

And then as a final example, I have some historic wrought iron work that's been done at Mt. Tabor. Wrought iron is another historically sensitive type of repair and rehabilitation. It is very decorative and it's an important character-defining element of all three reservoirs.

The restoration of the Reservoir 1 fence was a major repair done in the 2008-2010 time frame. Work had to be done offsite for several reasons. One is environmental concerns with any sanding or scraping of paint that might contain lead. So, small areas can be contained and done on site, but any larger repair has to be removed from the site in sections and then brought back to the site and reattached. So, the fence was actually cast into the parapet wall originally, so it has to be cut off and then reinstalled using a new sleeve detail.

The examples of restoration work I showed in these three slides provide a glimpse into the high bar that is set by historic approval criteria and by the state and federal

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oversight of work in historic districts. The Water Bureau does take this work seriously, in my professional opinion.

Carter: So in summary, we have discussed condition B and the technical reasons that we cannot meet the specific number of day limitation that has been provided in the condition. We've also provided detailed written responses elsewhere to the appeal, arguments of the Mt. Tabor Neighborhood Association, and it would be worth your while to check those in addition to what we are presenting here.

But this is about the zoning code. And the zoning code reviews specific proposals at specific properties and their effects, and that is really what it deals with. And the changes that we are proposing -- the physical changes to the property, which is development that we are proposing -- are very small in scale and they maintain the visual and historic character of the site. In fact, the Landmarks Commission stated in their findings that the proposed work, quote, "preserves the essential form and integrity of the reservoir's historic district and Mt. Tabor Park," unquote.

Nevertheless, they've tried -- they are asking to impose condition E, which we believe is unjustified and we believe that a land use decision condition of approval is not the right place to create a program of this sort. From the beginning, we carried out this project with the knowledge that Council had budgeted a separate project to plan for the future of reservoirs in the park, and our proposal preserves all options for the future use of these reservoirs. They could be filled and preserved -- other things could be done with them. We're not foreclosing these options.

The information in our written testimony is in your packet, and we respectfully ask for your modification of condition B and the removal of condition E. Thank you.

Hales: So, let me bear down a bit on question E.

Carter: Yes.

Hales: Condition E. My reading of condition E -- and maybe you can refer me to a place in your submission that gets to this question if you have gotten to it in written form -- and that is condition E says basically "take the historic structures report, implement the short and long-term restoration recommendations and the maintenance issues, including removal of non-historic elements such as light fixtures and conduit, and restoration of the contributing resources." I don't read that report -- I don't read that condition as saying, "remove all non-historic elements on the site," I read that condition as saying, "the removal of non-historic elements mentioned in the report." Are you saying that there are non-historic elements mentioned in the report that you can't remove?

Elliot: Yes.

Hales: OK. Can you give us a listing of those at some point?

Elliot: Actually, I can. I can give you one example right now. One of the things that's listed is the reservoir liner. If we remove the reservoir liner, the reservoirs will leak.

Hales: So that's a non-historic element.

Elliot: That's a non-historic element, installed in 1990.

Fritz: Which reservoir liner?

Elliot: It's the Reservoir 5 liner. Another one would have been the Tabor pump station, and we cannot remove that. That feeds about 1000 people that are at higher elevations than the reservoirs at Mt. Tabor, and removal of that would remove their service.

Hales: OK. And that one was also mentioned in the report?

Elliot: I don't remember. I think we interpret the way that condition is that it's saying, "in addition to the report, you are removing any non-historic element." It does not distinguish only those that are listed in the report.

Hales: I think that it may be possible to clarify that.

Elliot: Right.

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Hales: And that reasonable people might be able to -- might even be able to agree on which elements that are non-historic can be addressed in a restoration effort and which ones have some important practical value, like a pump station, which most reasonable people would agree needs to stay in operation. So, I'm hoping that the relatively narrow distance between the two appellants here could get narrower if we were able to agree on the list of things that a reasonable person would say would have to stay, and the ones like out-of-era light fixtures that can relatively easily be replaced.

Fritz: And it might be worth your looking through this report again, because actually the new liner is said to be good for -- it stopped the deterioration, preserve and maintain it. So, this obviously wasn't the focus of the land use review for the most part. It probably would be good over the time that the record is held open to look through it and figure out which things could be done. We could work on that. I have a question on it, though. You said that one of the elements cost four times more than the report suggests. Four times more than 1.5 is six -- no, \$8 million. How did you get to \$8 million?

Elliot: One of the elements -- actually, that's two different items so let me clarify both of them. When we restored the Gatehouse 1, in the report it had a proposed cost of \$35,000 to \$50,000. And that was a planning level budget that was developed. It did not include -- and it states in the report that it does not include any design or planning design or construction or permitting. It just is an estimate to figure out whether or not -- to prioritize projects and decide which projects to do. That project actually came in a little over \$200,000. That's four times what it was done in the planning level. So, when we -- and in that report, there are a lot of blank lines where there are no dollars listed at all. For the dollars that are listed, it's \$1.5 million.

Fritz: Right.

Elliot: So, what we did was we calculated what it would cost to do all of the things that didn't have a dollar attached to it, and then we prorated or projected that forward to 2018 dollars. Since the condition says that we would do the work before 2019, we did future cost and brought that up. Once you applied future costs to all the missing dollars, that brought it up to \$8 million.

Fritz: Well, the missing ones are all just maintenance projects.

Elliot: Those all cost money, though. And actually, they're not all maintenance projects. There are some that they call category A and category B projects as well.

Fritz: Thank you.

Hales: Question about the tree mitigation issue that the Mt. Tabor Neighborhood Association brought up. Is there a requirement here as they described it to not plant new trees above the new pipeline?

Elliot: Yes, there is. I'm actually glad you asked that question. Actually, the Water Bureau's standard does say for all pipes that we don't allow any kind of trees or landscaping without some kind of a root barrier, root protection within 10 feet of our pipeline on either side. Unfortunately, those trees that are on top of the pipelines at Mt. Tabor grew before that standard was developed, but it's been in our standards at least for the 20 years I've been at the Water Bureau. Most of the pipe that we're installing is in roadways, either paved or gravel roadways. There's 25 feet of pipe that goes through a small section of trees. That's the section that they're talking about.

Hales: It's not the whole length.

Elliot: It's not the whole length. The whole length is mostly in roadways. It's 1500 feet of pipe, and 25 feet go through trees.

Hales: OK. Thank you.

Saltzman: But the policy is citywide about Water Bureau policy and trees.

Elliot: Yes, it is. Absolutely.

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Hales: Other questions at this point? Thank you very much.

Fish: I think it's worth, Mayor -- I'm having a blast from the past. When you say that of the 1500 feet of pipe, only 25 feet is covered by this. And that's because, as I recall, the proposal that you ultimately submitted rerouted the pipe in response to neighborhood concerns on impact on trees, is that correct?

Elliot: That is correct. Even before that, most of it was under roads and under paved and gravel roads. There were other areas that were not, but this --

Fish: But when the issue of impact on trees came up, you made further adjustments so that to the extent possible you protected the trees.

Elliot: That's correct. Yes.

Hales: Any other questions? We'll have you back at the end of rebuttal. Thank you very much. OK, let's call on the Mt. Tabor-hood -- Mt. Tabor Neighborhood Association again -- I keep running those two words together. Something about Tabor-hood works, right.

Wyman: Thank you, Mr. Mayor. Again, for the record, Ty Wyman here as attorney. I wanted to pick up on a procedural question -- at least it's still a question to me.

Commissioner Fritz was gracious enough to suggest to us a way in which we could perhaps suggest conditions as a way of avoiding a full-blown conditional use process, and that we might be able to submit later in writing. I saw something today -- a slip that mentioned a record open period of June 11th, but I didn't know if that was official --

Hales: We have that option and we might exercise it to keep the record open. And if you want to request that, we can take that request.

Wyman: OK. Well, I would have -- I will talk to my client here after we stand down. So, at this point, it's still open whether the record will be left open.

Hales: That's correct. We have that option, and particularly if a party requests it, we usually grant it.

Wyman: Yeah. Thank you very much. I know that -- I understand that my colleagues here have -- frankly, they want to rebut some of the evidentiary assertions that you have heard here today, and I'm going to hand it over to Stephanie to start that.

Stewart: Well, much of the new evidence that you've seen today we haven't seen, so this is us trying to catch up on the fly and so we'll do our best.

First, with the assertion Water Bureau made that the 60-day time limit is mathematically impossible. That is completely new information for us, and -- at the Historic Landmarks Commission hearing, the Commissioners did ask multiple times, "what would that process look like and what would it cost?" And that data was never once asserted. We also in other formats have heard them actually explain that the drain, clean, fill process takes less than a week without overtime pay and that it would need to happen three times a year and they've even given us a cost for that. In fact, in April of 2014, there was an Oregonian article where a Water Bureau staff person quoted that they were in the process of draining and cleaning and then they would refill them, and that that would take four to six days.

Fish: Ms. Stewart, let me follow-up on that for a second. Do you believe there's a difference between draining into the sewer system and draining through other pipes, and does that affect the timeline? In other words, one of the things I think they said was it --

Stewart: Different set of pipes.

Fish: -- depends on what set of pipes, and if it's disconnected from the system, it goes in the sewer system which has permits because of CSO. Are we talking apples and oranges here?

Stewart: We may be, but we haven't had a chance to investigate that. And I think we would like that chance to look at what the difference is between what they've said in the past and what they're saying today. Because what we've got in the record from the past is

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an understanding -- and so did the Historic Landmarks Commission -- that the water -- what they were trying to protect were those deep iconic views, and having them be there regularly when visitors came to the park. So, we're under the impression that Water Bureau needed a total of three weeks to do the drain, clean, fill, and they doubled that. They very generously doubled that. So, this new idea that it might take 77 days to drain really changes the whole concept of, how do you not trigger the no adverse effect warning from SHPO if you're taking 77 days to drain the water? I think that needs to be looked at.

Fish: Can I ask you a question, though? We're going to at some point be discussing one standard versus another. It could be a matter of days or weeks that separate them. I think before we get lost in that, it would be important for you to state, what's the underlying concern that you have? We could have a scientist come in and perhaps settle this question to all of our satisfaction. What's your underlying concern?

Stewart: My underlying concern is I want these views to be regularly available to citizens when they arrive at our park. And for the last four years, these views have not been regularly available. Reservoir 6 has been below half full more often than it has been full, and that's a distressing thing to find for the character of this park.

Fish: Thank you.

Laursen: Can I respond to Commissioner Fish's question earlier? Because the four to six days was actually quoted in a newspaper article and I believe on television from the Water Bureau, and it was in reference to what we could call the "pee incident," which you may recall. And so they were saying -- this was in response to "how long will it take to drain and clean and fill the reservoirs?" in response to the pee incident. Unless they were draining that pee water into people's water pipes and had already had been draining down for I believe 45 days or something before they actually start draining to the sewer system -- if they were claiming then that it took four to six days to drain what they were called defiled water --

Fish: That is different. As you know, I had something to do with that. The water was drained to another reservoir. It was not introduced into the sewer system, as you know, because the hidden dividend to the decision which some people thought was boneheaded was that water from one reservoir traveled to another. And it wasn't actually discharged into the sewer system for precisely the reason we don't have the capacity to do that. So it migrated from one reservoir to another, which I think they'll tell you is different than discharging the water.

Laursen: OK.

Stewart: Should I get back to addressing the rebuttal points?

Hales: Please.

Stewart: Then Commissioner Fritz, you asked us to look at the revised language from Water Bureau for condition B. I'm not sure I've seen all of that -- Hillary has just shared with me a paragraph and I'd like a chance to look at that more closely. But the one change I'm seeing in that paragraph is that they are suggesting -- other than eliminating the 60-day time limit -- they are suggesting changing the scrivener's error. Instead of reading 50% to 75% -- and we suggested 65% to 85% -- they are suggesting 50% to 85%. I think we're getting really close to each other's points on this. So while I'd like to check in with my group, I feel like we're coming together.

As to the cost of the historic resource -- sorry, the Historic Structures Report, we're - - we have among our neighbors the one of the experts that actually helped to write this report and she will be speaking to you later.

So we have some familiarity with this report and the stuff that is in it, and the original quote was for 1.5 million. Now, we're hearing from Water Bureau that they estimate it to

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now be at \$8 million. I'm struck. That seems like a 400% inflation rate between 2009 and today, and I'm not sure how that really pens out.

But I would like to quote from what we have heard for evidence before now that this just isn't founded thus far. They haven't produced anything before now or even today that backs up this \$8 million and 400% inflation. I'd really like to see how they came to the \$8 million lined out so we could understand that.

But beyond that, the HLC had a good reason for mandating this report, and that was because they felt they needed to mandate future behavior. And they felt that they needed to mandate future behavior because the code requires them to see enough planning to be certain that what is about to happen with the historic structure is going to meet the approval criteria. And there weren't enough plans provided into the record, so they adopted a plan. As Ty has said, our code does not allow wiggle room for your budget. You are required to meet the code and make your budget meet what you need to do to meet the code.

To the point of non-historic elements making the condition E clause a nonstarter -- we were under the impression that the non-historic elements that were being requested to be removed would all be the ones that affect the aesthetic of the site, and that's what was in the report and the report would be limited to that.

Fish: Stephanie, that sounds to me -- listening to the excellent exchange earlier -- to be another one of those issues that could be resolved --

Stewart: I agree.

Fish: -- by actually creating a list of what we're talking about. I don't see any great enthusiasm on your side to take out a pump if it has no functional purpose --

Stewart: No.

Fish: -- or something that prevents a leak. So, that sounds to me like the hearing as it surfaced is something we could get some clarification --

Stewart: I agree with that.

Wyman: And may I just add on to that? I tip my hat, frankly, to the Water Bureau for coming up with this argument. But underlying it is does anyone think the HLC intended for the liner to be removed or for the non-historic -- no, obviously they didn't. That was not the underlying intent of the condition. And I'm afraid with some of the back and forth today, we're getting away from that underlying intent of the Historic Landmarks Commission, and I'm glad we'll be able to hear directly from some of them. John, did you have anything to add to that?

Laursen: Yeah, I want to speak specifically to the question of the Historic Structures Report because I spent a lot of time looking at that and looking at the map. The Water Bureau at the Historic Landmarks Commission said, "well, we've made -- we are planning to do everything in that report. We've informally adopted the report, we just haven't formally adopted it." And so I actually went through -- tried to use the Water Bureau's own testimony about what they had done so far and figured out the rate at which they were accomplishing stuff since 2009, May -- so, six years ago when that report was written. And if they continued under their informal adoption to do things at the same rate of speed that they have been doing them, they would complete the requirements in the Historic Structures Report in 2066. As I said to the Historic Landmarks Commission, I'm sorry I'm going to miss the ribbon cutting. I don't know about the rest of you, but we're not going to be there to celebrate when they finish that.

There are a ton of things in the Historic Structures Report that are not assigned figures because they are maintenance items, as Commissioner Fritz pointed out. And maintenance. Maintenance you would think would be part of what they would normally do and that they would not add those numbers in to try to build that number up to \$8 million.

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And there are things that say option A or option B, but those are options. They're option A, or option B. And you can do one or the other, but you don't add them together to get the price of what it is that you're going to do.

So, I will submit -- we could have had a very robust discussion about all of this if there had been the kind of public involvement that your, that our, that the City of Portland's public involvement principles call for, which say that early in the planning for a major project -- and the Water Bureau keeps saying this is a small project, but for the four Mt. Tabor reservoirs and Mt. Tabor Park, this is an enormous project -- if we had been invited to the table to sit down with them to help them think about and plan this project when they started, we might have been able to arrive at something that would have said, "yes, let's take care of the structures. Let's take care of the water in that even if it's not going to be potable, it could still have been there." We wanted the discussion that we're now having in this truncated little 10 minutes on, 10 minutes off. We would have loved to sit down with them and say, "look, here's a Historic Structures Report that you commissioned years ago, and very little of it has been done. Could some of that be part of this?"

And now they're saying -- the Historic Landmarks Commission -- the only way they could get this thing -- as you heard from Ms. Adams -- the only way the historic Landmarks Commission could come to an agreement to approve the application was to adopt the Historic Structures Report whole. There was no way for a nuanced parsing of that. We would be happy to sit down. But if you look at it -- and it's entered into the record -- that report won't cost \$8 million to do. And why would you put it in 2018 dollars? You could start tomorrow and do it in 2015 dollars. So, saying that we're going to wait to the last minute and inflate the cost -- that's pretty disingenuous in my view. I'm sorry. [applause]

Hales: Folks --

Wyman: Thank you, John. And I really appreciate your one, rolling up your shirtsleeves on this issue, and also the tag teaming. We're doing the best we can here on the fly.

I did want to speak to the form and integrity criterion. There are two really relevant -- to really particular material criterion before you. I emphasize the criterion one, which is preservation criterion. I think I've heard the Water Bureau emphasize "well, we're not threatening the form and integrity." I frankly don't see that when I see, first of all, the record of the condition of the historic resources out there. Also, maintaining the integrity of something -- to me, that's very close to preservation. I don't see a material -- in other words, I don't see a material distinction between the two approval criteria that are in play here. So, I would just offer you that.

Fish: I just want to give you a chance on this, because you're the lawyer and the expert. You asked us to ask you questions. So, SHPO says no adverse impact. So at least with respect to the work that the Water Bureau is proposing to do, why isn't that relevant?

Wyman: I don't know if you notice Ms. Stewart leaned into the microphone. She wants to address this, so can we both quickly?

Hales: Sure.

Wyman: So is that -- that could be evidence, evidence of no adverse impact. First of all, the lawyer in me says that's not dispositive of preservation. And secondly, I understand that as an evidentiary matter, that SHPO statement is somewhat in dispute. Exactly what SHPO was saying there was no adverse effect as to is not the -- it does not relate directly to the resources that the criterion protects.

Fish: And if we do keep the record open -- which I'm guessing we will -- you'll bring that to our attention.

Wyman: OK, thank you.

Stewart: May I speak on that? OK. So, SHPO said no adverse effect as long as certain negotiated provisions were met by the Water Bureau. And those were negotiations they

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had together -- SHPO and the Water Bureau. One of those provisions was you must maintain water in the reservoirs, and the intent behind that provision was to maintain the iconic views.

They had other provisions, and some of the correspondence between Water Bureau and SHPO has been revealed to us by SHPO and that is in the original record with HLC. I can further bring that to the surface for you later if you would like. SHPO did choose to respond to Water Bureau's appeal to you because they did notice that their "no adverse effect" was invoked as a reason for disregarding the Historic Landmarks Commissioners' conditions. SHPO made it very clear that first of all, they were reviewing very different criteria. They were reviewing state level criteria, which is not as specific or rigorous as the local criteria, and secondly, that they fully supported HLC's decision because HLC was looking at a much more rigorous criteria and they supported whatever HLC felt like they needed to do.

Fish: Just so we're clear -- we can spend a lot of time talking about intent. We can talk a lot about what's in or not in the record. This is -- there's been many hearings before Landmarks. It's a public hearing now. There's been robust public process before. If there's specific evidence you want to point us to -- a letter, follow-up or something -- if you would, do that with your argument. That's the most useful information, not speculating about intent. Or if something is omitted from the record, you'll bring that to our attention too. But it's specifically -- what are the ground rules.

In these kinds of proceedings, we are often in the role of referees as well as decision makers on the merits. Want to make sure the record is full and complete. And then if you have an argument like with SHPO, you'll highlight hopefully the document and make your argument.

Stewart: One of them is actually in the appeal report that was provided to you a month ago. It might be in front of you today.

Wyman: But we will provide you -- [speaking simultaneously] -- I know that you are --

Fish: [indistinguishable] -- give you a lifeline --

Wyman: We appreciate that.

Fish: Thank you.

Hales: Any other questions for the Mt. Tabor Neighborhood Association? Thank you very much. We'll have you back at the ends for rebuttal. We'll begin public testimony, but I do want to give our Historic Landmarks Commission members who are here a chance to come up and speak first. Since they dedicate an enormous amount of volunteer hours to the City, we'll give them at least a little bit of thanks for that. Good afternoon.

Brian Emerick: Good afternoon. Thank you, Mayor and Commissioners. We appreciate your time today and the great dialogue that's going on here. I think it's really informative and substantial. I'm Brian Emerick, I'm the chair of the Portland Historic Landmarks Commission. To my right, I've got Jessica Engeman, vice chair of the Landmarks Commission. At the end of the table, Commissioner Harris Matarazzo. We wanted to be here as a resource for you guys if you have questions for us.

A lot of what we've obviously deliberated on and voted on has already been included into the record and staff went through that, so I don't want to repeat a bunch of those points. I want to hit maybe some key points, though.

First, this has been a really difficult process for all parties involved. The Landmarks Commission is deeply concerned about the volume of public opposition in this case, and the Water Bureau's dismissal of that opposition. There was, in our opinion, a lack of public process employed by the Water Bureau in comparison to what we saw with the Washington Parks Reservoir. I think this might go somewhat back to what you had

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mentioned, Commissioner Fish, with the starting at the Type II process and it effectively just got thrown into a Type III process.

Fish: No, it didn't get thrown into a Type III.

Hales: It was steered.

Fish: I have a thick file at home called "no good deed goes unpunished." Just to be clear on the record, the community asked to have this converted to a Type III. I was under no legal obligation to do so. It was not thrown in, I was persuaded by the arguments by very rational people that are here today that we would all benefit from a more robust public process. And I think that's important, because sometimes we allow our view of the merits of this thing to color the way we characterize the procedure. In fairness to people involved both there and here, I think we should be careful.

Emerick: OK. I appreciate that clarification. To be clear on our side, I guess it felt like there was less preparation in terms of the process, and we're running directly in parallel and essentially just behind the Washington Parks Reservoir project -- which to mention, too, this is all part of a huge multimillion-dollar water upgrade project for the City of Portland. So, it's kind of odd to look at this in a small silo like this. And that was part of the context we were thinking about there.

Normally, though, with a Type III process, we get a design and advice request to Landmarks Commission. We have a chance for some collaborative dialogue with public input before we really move to a case hearing. In this case, because of the expedited time frames they wanted to move right into the case hearing and quickly through. For a project of this magnitude, the time frame was quite compressed. So that's why -- to clarify, that was my comment was regarding from Type II to Type III.

Fish: The time frame you're referring to is the LT2 compliance time frame?

Emerick: No, I'm referring to the Landmarks time frame. The Washington Park Reservoirs were probably a year in the making, coming back with collaborative sessions and collaborative dialogues with the commission, and this did not go through that same route. In comparison, we actually -- although I know you had a different experience -- when Washington Parks came here, we actually had little public opposition in those forums and a good discussion. We felt they were actually being good stewards of the resource. And we were then surprised to find this going in a different direction, essentially, from our perspective.

Fritz: Is that because the environmental review had to be done in 120 days? Did that factor into the time length?

Emerick: I'm not clear. I understand the Water Bureau was under some challenges with the time frames that they had to meet, but from our perspective we didn't get the formal process we would usually expect.

Fritz: You're not normally constrained by the 120-day clock, is that correct?

Emerick: Correct.

Fritz: I think that may have been a factor of having the environmental review bundle into this -- that by state law has to be done in a certain time frame.

Emerick: That may be the case, too. I'm sure staff could talk more about the legalities better than I could.

Fish: And by the way, on the point you make about public process, collaboration -- when we got the report on Washington Park, it was an entirely different exercise. The report from the commission, the testimony that I could at least hear during that hearing -- or when it came to us. So regardless of the outcome of this proceeding, I think it's worth debriefing at some point because you're on the ground dealing with this in the first instance, and all bureaus could be learn from a better public process.

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Emerick: Absolutely, I think that's true. I would say what we saw what Washington Park is the understanding this was historic resource of huge magnitude to the city and interest to citizens, and it was treated that way with very thoughtful approach and more of a dialogue coming back and forth, whereas with the Mt. Tabor one, what we saw was just kind of a "well, we're just going to disconnect it, leave them essentially as they are so there's really no adverse effect. And here's the letter from SHPO stating that so long as the water is in the reservoir and you can't see much, we really haven't changed the historic resource."

And when we asked the Water Bureau how were they practically going to achieve this goal, we really found their answers to be lacking -- to be frank -- which was, how long is it going to take to refill the reservoirs? And we've heard discussion on that already. My understanding was two to three weeks. When they testified earlier, I heard 77 days to drain them down, 14 days to clean, 7 days to refill -- that's 98 days total, not two or three weeks. When I asked how often they were going to have to do that each year to be able to maintain the quality of the water, it was three to four times a year. So, that's -- doesn't add up with 98 days per cycle.

And as was mentioned earlier, we had the peeing incident last year. There was a lot of press over draining one reservoir and refilling that. And now we're talking about draining three reservoirs three to four times a year, and was the environmental cost of that in terms of our perception of the city and also financially, what is the cost to that? It doesn't seem like a sustainable approach. That really gets beyond, though, the purview of the Landmarks Commission. That's why I'm bringing that point to you guys because it hasn't really been discussed here.

It feels like there's a lack of planning, and these could become the most expensive water features in city history. So, is there a big plan behind this? That's really a part of why we were concerned, and also hearing the concerns of the citizens on the maintenance record of the reservoirs and really wanting to make sure those reservoirs were protected going forward and not going to be essentially a water container that was then going to be discarded because it no longer had a utilitarian function.

Hales: Thank you. Thanks very much. Good afternoon.

Jessica Engeman: I don't really have any prepared remarks. Again, I'm more here to be a resource -- sorry, Jessica Engeman, vice chair of Landmarks Commission.

The comments from the Mt. Tabor Neighborhood Association characterizing our views and expressions during our hearings I would say are very accurate, and especially the discussion of the two approval criteria related to preserve the historic character and the form and the integrity of the resource. We were not just willy-nilly trying to attach any plan or Historic Structures Report to -- that there were approval criteria in mind that we were wanting to assure that this project would be able to meet both in the short and long-term. And so, hence without any prior planning, the best that we could do was to take the historic document that was in place and try to fold that into the conditions as a way to ensure the long-term preservation of the resource.

Hales: Harris, you may be prepared to talk about condition E, but if you're not, I just want to throw that out to the three of you. It seems to me that the Council may be called on here to either interpret or maybe to clarify what you intended with condition E, and that is this requirement to implement the restorative recommendations and maintenance recommendations, including removal of non-historic elements such as light fixtures and conduit. Again, I read that meaning if you're restoring an historic structure and there are non-historic light fixtures and conduit on the outside of it, take them off and replace them with period equipment. But we've heard an interpretation of the Water Bureau saying that might mean we have to remove pump houses. Can you elaborate on what you intended with condition E?

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Emerick: Yeah, it was the former, not the latter. And so lacking a better tool -- which again, an applicant could have brought to the hearing of "here are the things we propose to do," we were left with having to adopt a report which the Water Bureau has -- the neighborhood testified had said they'd already essentially adopted, just not officially. So, the intent was really to get rid of the security lighting which was no longer going to be required because there's no longer public water; and remove some of the effects over time like the conduit and things like that -- not go in and take out functional elements of the water system or pump houses or things of that nature.

Hales: Thank you. Harris, welcome.

Harris Matarazzo: Thank you. Harris Matarazzo, Landmarks Commissioner. I would reiterate has been said -- and I won't repeat that -- from my fellow commissioners. But I would just like you to know -- which you probably already do -- and that is we met on at least three different occasions -- I've heard four but I think it was only three -- to consider this matter. It was very contentious, probably the most contentious commission meeting I have ever been at. And I attribute that largely to a lack of in communication between the parties. And I'm sorry to say that.

We initially split -- I believe in our second meeting -- as to what to do. We split 3-3. And at that time I asked the parties -- we called them up, spoke to them, and I asked each if they would be willing to submit to some mediation, some kind of dispute resolution, nonbinding, just to talk. The neighborhood association and others agreed. The Water Bureau would not make that kind of a commitment. This again was nonbinding. And that to me really caused me to think in a much different way about what was before us.

I think frankly again today, when we're -- for the first time, this commission is hearing -- about as Brain was talking about -- cost and timelines to drain reservoirs. The removal of pumps, which would obviously make the vessel one that couldn't be used as a reservoir -- none of that was brought up. And certainly, there was time and occasion to do that. And frankly, it's very disheartening and disconcerting, and really wastes all of our time as commission members. I don't want to ascribe any bad intent to anybody, but I have seen here something that I probably would never wish to be involved in again as a commission member and I frankly, if I ever had any aspiration to be a City Council member, those hearings would have completely eliminated that. It was really that horrible of an experience, and frankly a sad one, because this was not a dispute between neighbors but a City agency and the people it serves. [applause]

Hales: Folks, please, no applause. Thumbs up are fine. Thank you.

Matarazzo: Anyway -- briefly. Condition B about the maintenance of the water of the reservoirs' water level -- [beeping] --

Hales: He's answering the question, that's fine. Go ahead.

Matarazzo: That was included because of concerns that the reservoir not turn into a skateboard park or something like that. That in fact, actually it's there not only was built as utility but also as an aesthetic destination, and that by maintaining a certain level of water, there the aesthetic portion of its purpose could be maintained. Also, we talked a lot about filling and refilling the reservoirs, so this is not a new issue because we didn't want it to become a mosquito breeding ground. The water needs refreshing periodically.

We believed -- as a commissioner, at least, speaking for myself -- I believe as a commissioner that without a detailed plan to make sure that that water was maintained at historic levels, that somebody would be back before you or in court or some other way, and it needs to be resolved at this level and eliminated as an issue.

On the matter of condition E, the implementation of the May 2009 Mt. Tabor Reservoirs Historic Structures Report -- again, it's been spoken to, but here's this report. It's out there. It hasn't really been implemented and it needs to be. Frankly, the Water

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Bureau is tasked with providing clean water to our citizens. It is really not in the business of historic preservation. And I believe as a commissioner it really should not be in that business because it's not part of its mission. It does what it does very, very well, and we're lucky to have them, but it needs to be removed from their oversight, in my opinion. This maintenance plan needs to be implemented and there needs to be oversight. If Water Bureau continues to do it, they need to do it with some kind of a plan to make sure that it gets done. Thank you.

Hales: Thank you.

Fish: May I make one comment, Mayor?

Hales: Please.

Fish: And I was hoping I wouldn't have to make this comment -- but Harris, I'm the fourth Commissioner-in-Charge of the Water Bureau in two and a half years and so, I'm not going to make this comment because I feel obliged to defend the Water Bureau for all the events of the last decade or beyond. But I will tell you, I think it's a bit disingenuous to say that you didn't understand why there's some conflict over this issue. In the defense of the Water Bureau, it is the City of Portland that has set the policies with respect to the future of the Mt. Tabor Reservoirs, not the Water Bureau. It is the City of Portland that's negotiated timelines with the EPA on LT2, not the Water Bureau. It is the City of Portland that has made the policy decisions consistently putting the Water Bureau on the frontlines of a very contentious debate -- probably the most contentious debate I've ever seen.

So, I would just say in defense of the Water Bureau -- can any bureau do public process better? Yes. Your comments about how to make this a more fruitful proceeding administratively at Landmarks is important. But I think it's very unfortunate to demonize the Water Bureau in this dispute. There is a fundamental disagreement in our community about the future of the reservoirs, and I respect both sides of that debate. I respect the people that are here that have passionately fought against every step of the decommissioning of the reservoirs. But that is the underlying history of this, and Commissioner Fritz and I were at a public forum that was shut down because people didn't want to have a discussion around community process --

*****: Not true --

Fish: It is true. So what I would say to you is to leave that context out I think is unfortunate, and to disparage the Water Bureau I think is unfair. Can we do better? Can the bureau do better? Sure. But again, I'm the fourth Commissioner in two and a half years. What's helpful to us at this proceeding is not making comments like that, but is addressing the merits of the dispute. Because that's how we have to decide, not who wears -- who's the good guy or the bad guy in the case. I regret that we go there, Mayor, and I don't think it's appropriate for this hearing to develop a record in that respect at this hearing.

Matarazzo: If I may respond. I certainly appreciate what you say, and that was not my purpose to disparage the Water Bureau. But let me tell you something that came up.

First of all, I understand we're a quasi-judicial agency. And I'm just giving you my opinion, and you can look at the testimony I have submitted today. I certainly understand the EPA issues. That is beyond our purview. The thing that -- and I went into this with a completely open mind. But it began to change when the Water Bureau admitted on the record that it had refused to engage with the citizenry. And I don't understand that. I'm not trying to demonize the Water Bureau. What I'm trying to say is open dialogue needs to occur, and I don't think that happened in this situation. I would ask you, if you want to review the oral record that was made, that was really very telling for me.

Hales: And we have that here, and that's helpful.

Fish: We have that, so thank you.

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Matarazzo: And I mean no disrespect. I appreciate your willingness to make your comments to me.

Hales: We appreciate the three of you and the rest of your colleagues on the commission for all the hours you put on these cases. Thank you. Other questions? Thank you all very much. Let's move into the sign-up sheet then, please.

Moore-Love: The first three people, please come on up. Mary Ann, you got the last word on the budget and you get the first word on this. I don't know how you do it.

Fish: Well, there are no cookies today.

Fritz: Before everybody starts -- how many do we have signed up, Karla?

Hales: About 40, I think.

Fritz: About 40 signed up?

Hales: Two minutes apiece.

Moore-Love: 52.

Fritz: 52. So, yeah. If you can be really diligent about stopping when your time is up, that means we can get to hear from as many people as possible.

Hales: Go ahead, Mary Ann, while others are getting queued up.

Mary Ann Schwab: Good afternoon. This is Mary Ann Schwab. I'm here today to speak for the Southeast Uplift, and we have a couple questions because we have not -- don't remember being heard on this.

January 21st, we wrote, "Dear Mayor Hales, Commissioners Fish, Fritz, Novick, and Saltzman. Open reservation -- resolution. In 2004, Mayor Katz appointed citizen representative of the community to open reservoirs independent review panel. After six months of review, the panel voted by the majority to retain our open reservoirs at Mt. Tabor in Washington Park. The EPA LT2 drinking water regulation is being reviewed into 2015, so there's time to stop destruction and disconnecting of our open reservoirs. New York City and the utilities of New York, along with New Jersey, are now in discussion with EPA. The City of Portland received scientific evidence to support EPA LT2 waiver. The board of directors of Southeast Uplift request the City of Portland invite Senators Merkley and Wyden, along with the rest of the Oregon congressional delegation to work with New York and New Jersey in requesting the open reservoirs EPA waiver, stopping the costly and unnecessary removal of the open reservoirs, saving money, and keeping our water safe."

Hales: Mary Ann, I didn't interrupt because you're representing a neighborhood coalition, but your testimony is not on the issue. And that is, we're not here having a hearing on the LT2 issue. We're having a hearing on the Landmarks Commission's decision and the two appeals of that decision. And under state land use law, we have to focus on that decision here, not on the larger question. So, I'm going to give you a minute if you have other points you want to make that are specific to the appeal. And I want to ask others who follow Mary Ann -- again, that's the deal. We have to be on this case because we're acting on a land use case, we're not acting on City policy overall. So, if you have any other specific points about things you agree with either the Water Bureau or the Mt. Tabor Neighborhood Association about, this would be a good time to put those on the record.

Schwab: What I'm want to say is December 1st, I did attend the historic land use commission meeting, and I did reference that my conversation with Mr. Fish regarding the level of water he said was going to be 12 inches. I said, "please, in your report, you must quantify the water in those reports and please table this until all reports are finished." And that's what I'm basing this on. I'm asking all of you to stop clock. Let's have a discussion that the attorney Matarazzo has suggested, and let's step back, save some money, and do it. There's no rush. Let's do it right. Thanks you.

Hales: Thank you. Good afternoon.

Mark Bartlett: Hi. Karla had a handout for you.

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Hales: Oh, OK. Go ahead. She'll get it to us.

Bartlett: Mark Bartlett. I was on the Mt. Tabor neighborhood board for a number of years. I've done land use --

Fish: It's hard to hear you.

Bartlett: I've done land use for a living, and I've applied for every kind of application you guys offer.

Hales: My sympathies. [laughter]

Bartlett: I know the drill. I would like to tag on to what John and Stephanie said about the conditional use. It's a procedural issue, and I've questioned it from the beginning once I saw the staff report.

I filed for a new use determination thinking that the old use that they were relying on was no longer valid. I did that on January 5th. You can see I paid the \$850. As of today, I still don't have it. Five months later, I wonder why. No one can answer, they just don't respond. In fact, BDS staff told me that the City Attorney has instructed them not to talk to me or to Mt. Tabor and answer our questions about this, because with that application comes the early assistance meetings and the design review meetings where you get a chance to talk with the staff and to Landmarks. They were at first offering to schedule those meetings for me, but then later I got a phone call from Jill Grenda who said, "we're not going to schedule those meetings for you." Well, why?

Fish: Mr. Bartlett, the materials you've given us -- and I'm not familiar with this dispute with the Bureau of Development Services -- but there's an exchange with the district attorney who ultimately --

Bartlett: That's my next point.

Fish: But the letter you've given us from the DA says he will process your petition if he receives the necessary documents. Is there a follow up document you have?

Bartlett: January 5th I filed for the use determination -- or January 7th. February 5th -- since they did not respond in a timely fashion, I filed for a document request trying to pull it and extract the information I wanted that way. And so far, they refused to respond to that either, no matter what the DA has said to them.

Fish: Well, the DA has said to you that as soon as --

Bartlett: I did file those.

Fish: Pardon me?

Bartlett: I did. You see one of the pages there is I paid the 50% on March 20th.

Fish: I'm saying this for your benefit, so just give me one second. The document you've given us is a letter from the district attorney saying that your request is incomplete.

Bartlett: No, that was a letter to me just to show just that the DA has intervened. I have seven or eight correspondences with them.

Fish: It says, sir, "when I receive the necessary documents, I can turn to your appeal."

Bartlett: I did send those.

Fish: Alright. And did you get a subsequent letter from the district attorney?

Bartlett: I got numerous emails. I've been corresponding with him over the period of time.

Fish: Has his office issued a directive -- [speaking simultaneously]

Bartlett: Yes, he has. He said the City Attorney -- they had contacted the City Attorney and they are waiting for a response from them, but that was weeks ago.

And one more issue about the trees. By the construction documents, there's going to be 81 trees impacted, some of which are as large as 48 or 50 inches. So, the representation that the look won't change is just not accurate.

Hales: Thank you.

Bartlett: So, I would like to hear why I'm not getting the use determination.

Hales: That's a reasonable question, we'll try to find out.

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Bartlett: Five months later they told me it'll take four weeks.

Hales: OK, thank you.

Schwab: Nor has Southeast Uplift received a response from this letter. Thank you.

Hales: Thank you both. Good afternoon.

Steve Gordon: Good afternoon. My name is Dr. Steve Gordon. I'm a citizen, I live at 1209 SE 60th Avenue in Mt. Tabor. I'm an internal medicine physician not by background, but the majority of my career has been spent in executive leadership roles for a number of large health care systems in this region and state. I also serve on a number of public boards and committees, mostly at the state level. So, I'm no stranger to the public process, and I say that in full respect and appreciation for the time and energy and focus that you're providing to the issue today. So, thank you for that.

I'm also a runner. Rain or shine, I jog through Mt. Tabor Park. I go up and down the hill every day, circumnavigating each reservoir -- all three of them -- along the way. After 20 years, I've done this about more than 5000 times. For 20 years therefore, I've also seen the reservoirs cleaned, drained, and filled a number of times.

I wanted to focus my moment here on the issue of accuracy and completeness of cost estimates, and that's come up a number of times here already. The basis of my position was really focused on a figure which hasn't surfaced here today but has been drifting through testimony, oral and written, now for more than a year, and that is the estimation that the Water Bureau has put forward of \$90,000 for cost of cleaning. I have to tell you in running the reservoirs, I have a lot of time to think. And I can't make this number pan out as we have heard it takes two or three guys two or three days to clean the reservoirs, and when I do math it comes out to \$3000 to \$4000. I can't make \$90,000 work, so therefore I'm questioning the validity of the other estimates. And Commissioner Fritz you also said, "how did you get to 8 million?" I'm saying, "how did you get to 90,000?" That's my simple point. Commissioner Fish, you said let's have a valid, factual basis for our discussion, and that's my request of you today.

Hales: Thank you very much. Next three. Welcome. I think you're on first, Steve.

Steve Wax: Thank you. Steve Wax, retired recently as your federal defender, currently director of Oregon's Innocence Project. I'm here to talk about equity and process. Couldn't you guess?

Process. I appreciate, Commissioner Fish, the exchange you had with Mr. Matarazzo. I want to offer a cent or two -- and Commissioner Fritz, this will also I think relate to your comment about process. What is not in the record at this point is that the citizens advisory commission that was constituted and did attempt to and did do some work with the Water Bureau was explicitly told it could not discuss what comes next, that the questions which are currently before you on this appeal were off the table. So while there was some process for which there is appreciation, it's critical for you to understand how limited that process was.

Fish: Steve, can I ask a question on that?

Wax: Please.

Fish: I understood there was a robust discussion about where the pipes would be located and what trees would or would not be removed. And that's an issue before us. Are you saying that did not happen?

Wax: No, those issues were discussed and there was some discussion that did lead to some amendment of the proposal that the Water Bureau submitted what. What was explicitly told was off the table was any conversation about the two conditions that are before you. Is there going to be water? How will that water be maintained? And second, what is going to be done about the crumbling infrastructure?

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Second point I want to make with respect to the record before you and the accuracy of some of the comments that have been made. As a person who, like Dr. Gordon, is in the park every day, I was surprised to hear Ms. Minor say how careful they are in maintaining the park. That is just simply not consistent with my observation. The path around Reservoir 6 when it was repaired a number of years ago -- it is blacktop. And as I walk the paths on all the reservoirs, I'm continually dealing with the uneven nature.

So in terms of some of the comments, the difference between the process with respect to Washington Park and Mt. Tabor Park in terms of equity is something that I think is critical for you to focus on. The acrimony that exists with respect to the decommissioning -- that is something that many of us have attempted to avoid and have attempted to engage with the Water Bureau on these land use issues. And the record is just not accurate.

The SHPO comment -- you have it before you. March 20th of 2015, emails to Ms. Stewart and to Ms. Brady -- they explicitly said that their no adverse effect finding was based on the fact that there would be water in the reservoirs. And what I see and what the Water Bureau is saying is something that I have unfortunately seen too many times in my legal career: the elision critical words. They said -- and it's in front of you -- if the water --

Hales: I need you to conclude quickly.

Wax: If the water is not maintained, they can reopen the process to make sure that their finding of no adverse effect is met.

Fish: Steve, on the equity point, can I just follow up on that?

Wax: Sure.

Fish: When we had the hearing on Washington Park, the reservoir disconnect, the Arlington Heights Neighborhood Association came forward and testified in support of the proposal, which is bury the reservoirs then create a water feature above and do some historic restoration. I think one difference worth noting is I don't believe Mt. Tabor Neighborhood Association ever supported the burial of the reservoir at the site. And you'll correct me if I'm wrong.

Wax: Well, with Commissioner Saltzman, my wife was one of the chairs of the group that he assisted in putting together in 2004 that worked diligently to come up with a plan for what goes on top, and that resulted in the roughly \$14 million statement by the either City, Water Bureau at the time.

So, to be sure, some people have been fighting tooth and nail. Many of us have been working diligently to try to preserve what we're talking about today. I can speak for myself and my wife, since we were very, very directly involved with Commissioner Saltzman. Thank you so much.

Fish: I want to say, long before this land use proceeding, you actually came to my office and shared some thoughts in a very collegial and helpful way. And so I appreciate the approach you have taken. Thank you.

Hales: Thank you. Ms. Brady, welcome.

Eileen Brady: Hello. I'm Eileen Brady. I am -- among other things, I sat on the 2004 independent review panel that Commissioner Saltzman put me on to review this issue. He told me it would be a 90-day process, and I'm 11 years into it. So, somewhere -- [laughter]

--

Saltzman: Me too --

Brady: There's going to be retribution. And I understand it's much easier to be an advocate than to be an elected official, and that you have to weigh multiple considerations as you make your decisions. And I know and appreciate that Commissioner Fish and Fritz have tried to bridge the gap around the LT2 requirements, the Water Bureau's needs, and citizens' concerns. Unfortunately, I think you're also seeing an issue -- some of the

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underlying issues -- that there's a lack of trust between the Water Bureau and the community that ultimately, I think we all agree nobody wants a distrustful relationship there. So, you're having to struggle with that.

In that spirit, I ask you to carefully review the HLC decision. I sat through the hearings. I think it's a balanced decision. The Historic Landmarks Commission sided -- just remember this -- they sided in favor of disconnecting. Because that was the original application. What the dispute is over is a couple of appendages, a couple of approval conditions.

The commission -- as they indicated -- they listened to testimony, and ad nauseam, I might say. Anything from radon to the disconnection to the disparities between Mt. Tabor Park and Washington Park, and they came up with two very, very reasonable conditions out of that whole basket of things that they wanted to attach to this application. And I would just state that number one of them has to do with "how many days are you going to leave the reservoir empty? Let's get a date." We need to ask these guys. Is it 66, is it 77, is it 98, is it 365? Sadly, I think because the distrust issue, there is a need to say how many days the Water Bureau will leave the reservoirs empty. [beeping]

Hales: Give you just a minute to wrap it up.

Brady: Sorry about that. The other is about this reasonable amount of preservation the structures are required to maintain. I mean, how much is required to maintain these structures. They told us 1.5 million, which we thought up against Washington Park's \$76 million was kind of a reasonable request. Even up against the \$14 million for the "what goes on top" project from 2004, we thought we were doing OK.

We continued to get surprising information. I don't fault them. I think that they are busy, they're overworked, but it's very difficult to deal with that information. I'm hoping that since condition E was the reason that the commission made a unanimous decision -- it was the condition that got them over it -- that you can find some way of embracing that condition. Thank you very much.

Fish: Eileen --

Hales: Were you -- [speaking simultaneously] -- oh, sorry, let me follow up that and I'll give you a chance.

Fish: You guys had plenty of time to talk. [laughter]

Hales: Were you happy with the Landmarks Commission's explanation here that I elicited from them about what they intended with condition E? That it's restore and repair, and if there are non-historic features attached to or appurtenant to those restoration projects, get them right in terms of historic features but don't remove modern pump houses.

Brady: Absolutely. Mayor, I think you're on it -- the devil is in the details. We didn't get a chance to get into all the details, and I think there's more agreement than not.

Fish: Can I follow up on that? Because I'm so encouraged by you saying that. We have dueling appeals. I think it's important to note that we have two appeals coming to this body. Two different sets of concerns have been raised. And you've had a role in one of the appeals, the Water Bureau on the other. Do you foresee a situation if we are able to identify the areas of disagreement where in effect the Council could ratify some agreement made between the appellants and this matter would end? Meaning, no further appeals?

Brady: I do. I know in the letter that the Mt. Tabor Neighborhood Association attached -- god love 'em, I love the neighborhood's honesty. They said, "we wouldn't be submitting this appeal if the Water Bureau hadn't appealed," and so I think that's an indicator to you the strength of the HLC decision was so strong that the neighbors did support it originally.

Fish: The reason I ask is because the neighborhood has raised issues that are quite distinct from the issues that the Water Bureau has raised. There's a whole range of other issues which could go on.

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Brady: I think it certainly was an opportunity to throw in some other -- we have an opportunity to keep the record open, throw in other pieces to the puzzle. I certainly feel the scrivener's error should be corrected, and I know that's a high priority for Stephanie and her team.

Fish: I just want to say, I'm encouraged by your view there may be middle ground that parties could agree to. Because we have two appellants, and sometimes the best decisions we make as a deliberative body is we ratify a community agreement.

Brady: Amen. Thank you.

Hales: Thank you. Welcome.

Daniel Berger: Good evening. My name is Dr. Daniel Berger, I'm a physician specializing in emergency medicine serving Portland for over 13 years.

Dearest Mayor and City Council, Portland Water Bureau claims to be stewards of these historic resources, yet at the recent Washington Park Historic Landmarks Commission hearing, Portland Water Bureau's own Teresa black states they have been, quote, "stewards of the structure and utility," not the aesthetic elements, as they have let that structure fall into decay.

So, what happens when the utility goes away? One need look no further than the offline Mt. Tabor Reservoir 6, which has contained less than 12 inches of water in it for nearly a year as a prime example of their lack of dedication to the public good. And there are photos attached to my document if you have it in front of you, if you haven't been there recently.

Why is Mt. Tabor a travel destination, postcard picture perfect historic gem of our fair city sitting empty when the Water Bureau claims they are dedicated to keeping it filled? How does this reflect on our city when folks from afar come to visit the legendary Portland? What a disgrace. It's passive aggressive against the community at best, and a failure of management from any perspective.

This only further exemplifies the Portland Water Bureau cannot be blindly trusted to hold our city's best interests at heart as they clearly have contempt and disregard for our history, communities, and citizens, endlessly raising rates for exorbitant projects we don't need, feeding its corporate partners along the way --

Fish: Mayor, this is not --

Hales: OK, you need to --

Berger: Hold on. City Council must --

Fish: It's not especially helpful.

Berger: City Council must uphold the HLC's decision and direct Portland Water Bureau to comply, because clearly they will not on their own. And I think that's the intention of the HLC's ruling. In many regards, I'm not sure what even needs deliberation here. Commissioner Fritz's own public survey showed nearly 80% of Portlanders wanted reservoirs to remain full and continue to hold their historic integrity. The City's own appointed Historic Landmarks Commission unanimously voted to approve the project only with these strong conditions. Clearly, this is what the public and experts desire, and it's the cheapest and easiest of all options. So, it seems a no brainer.

I employ you once again, as fellow citizens, please be the heroes we elected you to be. Uphold your pledge towards good governance and justice in representing the will of the people, not our corporate contractors and profiteers. Mt. Tabor Park represents one of the spiritual energy centers of Portland, and its reservoirs are a huge part of this. If we destroy the energy centers of our city, then all its special charm and spirit will go away as well. For the love of all things sacred, please do not let that happen. Thank you for your time and consideration.

Hales: Thank you. [applause] Please, folks -- thumbs up, OK, applause not. Thanks.

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****: We encourage you, if you think it's within your quasi-judicial purview, direct the Water Bureau to sit down and we'll try to negotiate.

Hales: Thank you. Go ahead. Welcome.

Brian Rohter: Mayor, Commissioners, my name is Brian Rohter. I'm the former CEO and board chair of New Season's Market. In that role, I've sat in this chair before as an applicant in land use reviews. As the applicant, it was clear to me I had the burden of proof that all elements of approval criteria would be satisfied. This meant that I had to prepare a detailed and complete application, and that I needed to be responsive to input from BDS staff and from the hearings body. I also knew that I might be subject to conditions, such as offsite improvements.

The contrast between what I experienced as a private citizen and what is happening with the Water Bureau is startling. The Water Bureau initially try to deny that a Type III review was even necessary, which would have shut the community out of the process. The Water Bureau's application was full of holes and lacking information that was essential for the Historic Landmarks Commissioners to make an informed decision. They resisted making adjustments to the proposal, even when requested by BDS staff and by the commissioners. Even when urged by the HLC to engage with representatives of the Mt. Tabor association to try to come to consensus -- which could have avoided this time-consuming and expensive process -- they refused. Their response to the conditions HLC unanimously placed upon their approval is that they don't have the dollars in their budget.

If I as a private citizen would have been as dismissive to the hearings officer as the Water Bureau was to the HLC, my application would have been denied. If I told the hearings office or I told you, the City Commissioners, that I couldn't meet the criteria because I couldn't afford it but please couldn't I just proceed anyway -- I would have been laughed out of these chambers.

The City has an obligation to expect at least as much from our own bureaus as we do from the business community or from private citizens. In this instance, that threshold has not been met. I urge you to respect and accept the unanimous decision of your Historic Landmarks Commission and to deny the appeal from the Water Bureau. Thank you.

Hales: Thank you. Good afternoon. [applause] Folks, again -- no applause but thumbs up are fine.

Mark Kinnick: Hi, good afternoon. My name is Mary Kinnick, and I'm here on behalf of the Friends of Mt. Tabor Park board where I serve as co-chair and also as coordinator of -- I guess what some of you have heard -- as the weed warrior program -- weeds being invasive species, I should say that.

One of our goals is to protect and preserve the ecological health of this Doug Fir Western Hemlock woodland. Our board supported the Mt. Tabor Neighborhood Association position presented before the Historic Landmarks Commission. I want to pose some questions and then offer what I think is one answer to all of these questions -- and you will have heard some of these questions already.

Why was there no public process before the Water Bureau presented its initial disconnect plan way back when? Why did the neighborhood association have to initiate a request for citizen involvement? Why has the Water Bureau failed to provide adequate historic maintenance of the reservoirs? Check out Reservoir 1 as did yesterday and you'll want to weep. Why does the Water Bureau not seem concerned about how much water remains in the reservoirs or how long they stand empty? And why early on wasn't their proposal subject to a conditional use review? The new pipe goes beyond Water Bureau land and extends into parks land, claiming more land where no trees may be planted.

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The answer that I've come to and our board has come to is because all along the Water Bureau views this only as an engineering project. Why engage the public for small scale technical project involving pipes, nuts, and bolts? But this site is a complex one, and this project must be viewed through the lens of stewardship of a resource listed on the National Register, a lens through which preserving native landscape and aesthetic beauty is a requirement. I urge you to side with the neighborhood association's appeal and protect and preserve this historic park. Thank you very much.

Hales: Thank you. Good afternoon.

Valerie Hunter: Hi. I'm Dr. Valerie Hunter. I am a radiologist and I was on Commissioner Saltzman's 2002 to 2003 Mt. Tabor open reservoir replacement project citizen advisory panel.

Fish: This is like a reunion tour. [laughter] Eileen Brady was on it, Tom Walsh -- who else is here?

Hunter: He was on the IRP. It was a different panel.

Fish: A different one, OK.

Hunter: I want to just sort of harken back to those days of yore when we were making some related decisions. In 2002, the decision had already been made by Council to accelerate by several decades the plan to remove the open reservoirs. The plan was to build buried storage tanks in the footprints of the reservoirs with new park features on top. Commissioner Saltzman appointed a citizens advisory panel, which was called the "What's on Top" panel to guide this redevelopment process. The PAC, after much labor and hundreds of hours, produced a thoughtful design and guidance document emphasizing historic preservation and water. And after that, then there was a design competition, and the winner of the competition was this mind-blowing fantastic project with water features and hardscape and public interaction with water and what not. The estimated cost of this concept was never publicized.

All this raises the question, how much money was really involved in that initial promised effort to build this fabulous park on top of a buried tanks? Because this relates I think to the money we're now talking about not having to do basic maintenance at the reservoirs.

So harkening back, in July 2002 the budget for the reservoir replacement project passed by Council included \$2.5 million for what goes on top. In October 2002, Council passed Water Bureau's new cost estimate of \$13.4 million for what goes on top. In an October 2003 letter to Mayor Katz from Water Bureau and Parks referenced a Council-approved budget of \$14 million for what goes on top. Now, this was taking place in a climate of the usual City budget shortfalls. [beeping] We have a memo from Mayor Katz to that effect --

Hales: I'm going to need you to wrap up.

Hunter: OK. What I just want to say is if in 2003 we could promise 14 million to build this fabulous park in addition to preserving historic features, I humbly request that you find some of that money to today to just conserve the treasure that we have and preserve it for our future.

Hales: Thanks very much. Next three, please. Welcome.

Laura Orr: Good afternoon, Mayor, Commissioners. My name is Laura Orr and I'm a second generation Mt. Tabor resident. By profession, I've been the director of the Washington County Law Library for more than 13 years and founder of the Oregon Legal Research website and blog -- very popular, believe it or not, in my smaller world. I'm here today to ask you to vote in favor of the Historic Landmarks Commission's decision and those suggestions from the neighborhood association that strengthen that decision, such as the request for a conditional use review.

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Affirming the Historic Landmarks Commission's King Solomon-like solution to this seemingly intractable political problem makes you look sagacious, fair, and maybe even prescient. I didn't realize I needed a dictionary. [laughs] That affirmation may earn you credit later for establishing groundwork and standard of review that will enable future generations of Mt. Tabor Park visitors to experience the most beautiful Portland park between the Willamette River and Mt. Hood and not just view photographs of what it used to be or what it might have been.

Portland Historic Landmarks Commission members do not serve in name only. The commission has proven their professional expertise and diplomatic chops. Like you, I rely on expert advisory boards -- mine are lawyers and judges. I know the risks of not heeding dedicated hard-working advisory board members. We have a continuing need for volunteer board members who are smart, engaged, and better gatekeepers of the spirit of Portland than we can ever be on our own. Who will volunteer as our advisors if we dismiss their work out of hand without understanding fully their concepts and thoughtful reasons for their decisions? Thank you.

Hales: Thank you. Welcome.

Kim Lakin: Thanks. My name's Kim Lakin, I've been an historic preservation consultant for over 25 years. I am a co-author of the National Register nominations for the Mt. Tabor and Washington Park Reservoirs and the Mt. Tabor Park. I also served as a citizen volunteer advisor to the Water Bureau on the 2009 Historic Structures Report. I urge you to affirm the findings of the Historic Landmarks Commission.

The HLC decision was obviously not made lightly, but with considerable thought. Criterion one states, "retain historic character." Given the reservoirs are recognized locally and nationally, and given that water is a significant part of the historic character of a reservoir, water must be retained in the reservoir basins. The HLC's condition B provides the Water Bureau specifics to adhere to. In this case, the specifics are necessary, as the Water Bureau has consistently demonstrated a lack of respect and understanding for these resources.

Criterion 9 states, "preserve the form and integrity of the historic resources." The HLC has required that preservation procedures be implemented as part of their approval. In order to preserve the integrity and form of the reservoirs, the Historic Structures Report must be funded and implemented. In six years, only one project has been completed and further deterioration has occurred. This demolition by neglect must stop.

I would ask the Council to use its policy and budgetary authority to direct the Water Bureau to carry out the preservation actions out lined in the 2009 Historic Structures Report. The Council has a responsibility to protect one of the city's most significant historic resources. Please exercise your authority and position to sustain this important Portland legacy for future generations.

Hales: Thank you.

Fish: Kim, thank you for your thoughtful testimony. As I was thinking about what you said. Do you have an opinion as to -- assuming the reservoirs no longer serve any function with respect to the water supply -- as to who in the City government should be the -- who you believe is the appropriate custodian for the reservoir?

Fritz: Commissioner, that is so not the subject of this land use review.

Fish: I appreciate that --

Hales: We should have that discussion, but probably not now.

Fish: Thought I would ask the question.

Fritz: Well, I just kind of know where you're going with it -- [laughter] -- so I want to have that discussion with ourselves.

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Orr: And I don't know if I'm the right person to be asking the question. It's a very complex issue because of budget. I mean, it's in the Water Bureau purview right now. They're the ones -- they have money. They have an income stream. Personally, it's probably maybe the best place for it to be as long as there's somebody instructing them to take care of this property and there's money for them to do so. It could very logically going to Parks as a park, but Parks doesn't have a great income stream. So I don't see -- I mean, it's something I've thought about, I've wondered about. I don't have the answer but I mean, it's something that we should figure out. I truly believe we need to fund the preservation and maintenance of these resources.

Fish: Let me just say, thank you for testifying today. It's very rare in our proceedings where we have a report that has like -- we had in the 2009 -- that is so fundamental to our decision and someone comes to testify who had something to do with it. So, thank you.

Orr: Thanks.

Hales: Good afternoon.

Tom Walsh: Good afternoon, Mr. Mayor, Commissioners. My name is Tom Walsh. I had the pleasure years ago of serving on the Mt. Tabor Reservoir advisory committee. Three very short comments. The importance of this subject which you are hearing about today is significant. The passions are clearly great, and I think the differences are very small. Commissioner Fish, your dialogue with Eileen Brady just a few minutes ago pointed out there are answers available. I think the process that the Council might consider is back with Historic Landmarks Commission decision and whether they serve as a moderator or as mediator -- that in my experience will be the foundation of finding a very, very equitable, very sensible and long-term decision. Thank you.

Hales: Thank you. Thank you all. Next three, please. Good afternoon, welcome.

Dave Hilts: Good morning, Mayor and Council. Dave Hilts. I was an architect for 22 years. Half of that time, I was land use chair for the Mt. Tabor Neighborhood Association, so I was lucky enough to preside over the first "what goes on top" fiasco that was polarizing for our neighborhood.

I'm currently a landlord. I started a business that has three different buildings with apartments ranging from 16 to 25 units, and I choose to maintain them because I have pride in my buildings and pride in my city. Providing residents of Portland with a nice place to live is imperative. As we grow, it becomes even more of an issue.

The Historic Landmarks Commission spent almost two and a half months listening to public testimony and thinking about how best to resolve the issue that they got set in their lap. And that issue was, "how do we maintain the historic viability of the reservoirs without destroying them?" There are two different things. You've got a utility, and you've got a park, and you've got an incredible reservoir system that's operated flawlessly for years. The neighborhood association has come back and forth over the years with issues with the park and the maintenance of the reservoirs, and the Water Bureau clearly has not maintained them. [beeping] So as a landlord, I urge you guys to be a landlord and not a slumlord, and support the neighborhood association and their application to save our reservoirs.

Hales: Thanks very much. Good afternoon. Welcome.

Miriam Berman: Good afternoon, Mayor and Commissioners. My name is Miriam Berman and I live in Mt. Tabor overlooking Reservoir 6. My husband Michael and I own a local small business called Nutcase Helmets, and we employ 16 other Portlanders in our southeast office. Our helmets are sold across the U.S. and in over 30 countries. We travel the world proudly representing Portland as part of the athletic and outdoor industry, and the creative community that keeps Portland weird.

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Speaking of athletic and outdoors, Mt. Tabor is the eastside home for biking, hiking, picnicking, sledding when we get snow, playgrounds, and my favorite, the dog park. Now, add the beauty of Reservoirs 5 and 6 filled with water. What a treasure. I show it off to my friends and colleagues that visit from around the world.

Unfortunately, I can't imagine people visiting Mt. Tabor seeing an empty or partially filled reservoir -- basically a whole lot of cement -- and deciding to return for their outdoor enjoyment. The reservoirs make Mt. Tabor the southeast Portland show piece that it is.

What you may not know about my prior life is that I used to be a teacher for deaf and hard of hearing students. Sign language can be very expressive. For example, this is the sign for the reservoir of how we would like it to look. Water, full. What it looks like now? Water, not so full. So, hopefully you can get the idea that we would like it more full.

Most importantly, today is my birthday. And for my birthday, I decided to come to support our vision of Mt. Tabor Park and its historic reservoirs. I have one birthday wish, and that is to return Mt. Tabor to the original, grander, air-appropriate lighting, repaired and safe walkways, electrical boxes that are not in disrepair, and basically historic beauty. You're the only ones who can grant me my birthday wish, but to be honest, it's not just for me. It's for all of Portland and our visitors. Restore Mt. Tabor to its majestic beauty. Thank you.

Hales: Thank you. Happy birthday.

Berman: Thank you.

Hales: We'll suspend the rules to say happy birthday. [applause] Welcome.

Tom Koehler: Tom Koehler, and I'm a lifelong resident of Portland, Oregon and also on the Portland Public School Board. I'm here today not on that role, but I was thinking that this would be a heck of a case study for our students in high school civics class from the very beginning. It has all the -- it's got it all in terms of what our democracy can and cannot do.

I'm very supportive of the Landmarks position and would hope that you would support it. In summary, it's keeping the reservoirs full for the iconic view and it's also maintaining them. And to answer your question, Commissioner Fish, I hope you take responsibility for these reservoirs because it is a water utility. It is being disconnected, they've made a big deal about reversibility, the whole notion of backup and redundancy. We need to protect and maintain these reservoirs. So, thank you for your consideration.

Hales: Thank you. Thank you all. Good afternoon, welcome. Go ahead.

Dawn Smallman: Hi. My name is Dawn Smallman. I'm homeowner in Mt. Tabor neighborhood. I'm also a member of the MTNA, the neighborhood association. I've worked on reservoir issues for a number of years with the MTNA and with the committee. I'm also a member of the citizen advisory committee that worked on this exact process.

First off, I just want to say thank you to Commissioner Fritz. None of us would be sitting here today if it wasn't for you helping the community get publicly involved in this process. I think the community owes a deep amount of gratitude and debt to you. When we said, "how do we get involved? Why is no one involved?" You said, "let me help pave the way for your involvement, public." So I really feel it's important to acknowledge that you did that for us and thank you for that.

I'm here today to ask you to honor the result of the City's own public process that was the CAC. Neither side got exactly what they wanted, we met in the middle and we came with our specific outcomes of that process. Yet I'm sitting here today, asking you to please honor that process. And that gets to the root of the frustration of being the kind of person in the community who's willing to stand up and sit on these public processes and the frustration of what the actuality of that as a reality means for people who have to

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donate their time who aren't getting paid the way City employees are getting paid to sit in on the process, and all those kinds of things.

I'm taking the day off work to come here to say please do the things that you agreed with us to do months ago when we sat through many hours of volunteer work. That irony is not lost on me. I'm also sitting across the street listening to an audio and video feed that's not going well instead of sitting in 80 empty seats here, so that isn't lost on me in the public process, either.

I would like you to please deny the Water Bureau's appeal. I would like you to maintain the reservoirs at historic levels -- that is what the CAC called for -- to periodically clean them, refresh them with clean water -- that is what the CAC agreed to -- and preserve them as historic structures. That was in our agreement.

I think it's really important that I able to address this. Other people from the Water Bureau can say the Water Bureau is great stewards. I disagree with that statement. I had a moment during the CAC where it became crystal clear to me when they were going to cut down a large stand of old growth trees, and there were people like me who had no background in how to lay pipes for water system who said, "why can't you go around the trees?" And that's when it became crystal clear to me. The Water Bureau does not value these historical and cultural assets of the reservoirs the same way the community values them. That is the essence of the conflict. That is the essence of the history. And that is a really important thing for you to take in.

So, I really hope that you understand that and that the stewardship as they see it -- as the Water Bureau sees it -- is not what anyone in the community would call good stewardship. You can walk up to those walls 10 feet from the photo they showed you of the beautiful staircase that they did repair and did nicely, and you can tap it with your finger like this and it crumbles away. It has exposed wrought iron, which is making the walls crack open deeper because the wrought iron takes on water and expands the walls and makes them crack further. This is demolition by neglect. And so, until they value what we value, it's up to you guys to value it. I'm here asking you to please, value what the community values. Value them as cultural assets, value them as something more than just utilities. Value them as our history, our culture, and the important centerpiece -- the reason the park was built. Thank you.

Hales: Thank you. Welcome.

Martha Mitchell: Good afternoon. Thank you very much, Mayor and Council, for holding this meeting today. I'm Martha Mitchell. I'm recently retired principal of Clearwater West. I did some important work in the development of the master plan for Mt. Tabor Park in the early 80s looking at the impact of human uses on water quality runoff.

As part of doing that work, I spend a lot time in the park and I'm also a neighbor and have been walking the park for 30 years. What I've seen is a very large disparity of standards of maintenance between the park and the Water Bureau. Also, I've seen a lot of resources go away over the years. If you recall, there used to be irrigation and mowing at Mt. Tabor Park long ago and restrooms that were open and maintained as budgets have dwindled over the years. What I've seen is that sort of a program of deferred maintenance in the Water Bureau infrastructure has really turned into a planned obsolescence. It's really unfortunate.

I think there are some solutions here. I think that we always have to think about where the money comes from to maintain the civilization that we all have here. We do have money that we spend on some things and not others. We also have in the bureau of maintenance, which is part of BES -- I was at one time the lead-in environmental person for that bureau. There are 38 crews there that all know how to do big infrastructure things. There are people who are experts in plumbing, in concrete, in anything you want to name.

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They're the people who take care of all our public infrastructure. We have a lot of very informed, well-trained labor in that bureau that might be able to call upon with some extra training to do some of the work that we need to do. I'm hoping that we can find the money to get it done.

Hales: Thank you very much. Welcome.

Robert Bernstein: Hello. I would like to thank you all. I'm back again. I support the neighborhood association's --

Hales: Oh, put your name in the record.

Bernstein: I'm Robert Bernstein, homeowner three blocks from Mt. Tabor, 467-year resident of Portland. I get concerned when I hear 25 feet of trees, then I hear 81 trees -- so I would like to see some sort of conditional review and fact-finding about this. I oftentimes find that mitigation is a joke and hoax. You have birds that come through on the fly way. There's a big difference between a little sapling and an 80 or 100-foot tree. Saying that you're going to plant the sapling to take the place of an 80 or 100-foot tree is like me saying, "well, Dan Saltzman, I'm taking away your home, but I'm putting somebody unborn in charge of building you a new home and it might be ready in 100 years." It's a joke. So, really look at the environmental impact. When I look outside my upstairs window, I expect to see trees. I don't expect a meadow. The trees also act as a buffer for the sound for the concerts that are held up on Mt. Tabor. They cleanse our air. They are not simply just something that grows on top of pipes. So, if there's ways to save these trees, that's really important to me.

As to the expensive of the upkeep of Mt. Tabor, I'd like the Council to think about rescinding the hookup fees that were lowered for developers. They certainly caused a lot of harm -- in my opinion -- to the southeast area and they should be paying more.

Hales: Thank you very much. Thank you all. Next, please. Good afternoon. Welcome.

Mark Schlemmer: Good afternoon. Mark Schlemmer. Just call me a taxpayer here in town, a father, and somebody who has been really concerned about governance and Portland for some time. I came to this issue of the reservoirs later than many in this room who have not been thanked, and I would like to put a shout-out to Floy Jones and Scott Fernandez and Friends of the Reservoir and many other people that have been involved for a long time. I came to this just last November. I was at the meeting at Warner Pacific College. I was very impressed with my fellow citizens who seemed very knowledgeable about this whole -- everything about this water issue and Mt. Tabor.

After that, trying to learn more, I communicated with Commissioner Fritz and Fish by email. Imagine my astonishment when one of the emails I got from Ms. Fritz stated that it was important to preserve the Mt. Tabor reservoir perhaps to sell water to California or Arizona, no doubt to pay for cost overruns for some of your tanks that are leaking or I don't know what. But the Water Bureau seems to go over its estimates by a large percentage every time I hear about it.

I don't know more accurate way to say this and I don't mean to offend anybody, but you seem bent on pissing away our money to add radon to our water, and I really object to that. I would like you to show leadership and stand up to the EPA for the families that elected you. Thank you.

Hales: Thanks. Ms. Eng, welcome.

Mary Eng: Hi, my name is Mary Eng. I want to thank everyone who's spoken today, I've heard such eloquent testimony. I especially like the medical doctors, and I'm very honored to be in the same room with Steven Wax who I watched every day of his FBI trial. I hope he is as tough on you guys as he was with the FBI.

Hales: He was an attorney in a trial, he was not on trial we should say.

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Eng: Well, I don't know -- he was on trial to me and he's a winner. I want to shout out to the balcony, all the wonderful, imaginary citizens in our imaginary democracy -- [laughter] - - then remind you guys I used to sit around with an environmental law case book and study about the history of the EPA. And if we have an ahistorical and unscientific understanding of what the EPA is and then use it to railroad the public in a situation, we're actually looking -- to me, I see the EPA as an imperfect organism which is under development.

Hales: Mary, we need to go to the case.

Eng: Please don't interrupt me, sir.

Hales: We need to go to the case.

Eng: Just give me my two minutes.

Hales: OK, go ahead.

Eng: Can I have my three that you stole?

Hales: Go ahead.

Eng: OK. I think a hard part for me is we have the dramatic persona, the same cast and crew responsible for your 75 million boondoggle that you're giving to the gorgeous lady in the thin, transparent shirt who hit on Ben Pickering in the lobby, which I am frightfully jealous of despite the turmoil in our relationship. And giving away that money to her for this boondoggle up in Washington Park and then trying to tell me this Tabor thing is wonderful - - I think all the people are very compelling and that the issues with radon and health have yet to be proven. And when the EPA is as aware as we are in the very progressive Pacific Northwest what the radon risks are for human health and cancer -- I thank you for calling me Ms. Eng and not Mary, and thank you for taking into account the disrespect in your demeanor towards me previously, and I appreciate further respect. Thank you.

Hales: Thank you. Welcome.

Katherin Kirkpatrick: Thank you. My name is Katherin Kirkpatrick. I'm an allied health worker and a mother, and I am here to ask you to reject the application. Commissioner Fish asked us to discuss the actual merits of the dispute between Water Bureau and the public, and I agree. That is over whether there is any actually any merit in taking these reservoirs offline.

Applicant has not met its burden and cannot meet its burden of proving under section G 1 that the historic character and avoidance of removal criteria are met because the reservoirs' in-use status as the utilities that provide us with potable water was the defining trait and character specifically mentioned in the register nomination and listing.

Furthermore, I think the HLC erred in saying, "look, we don't have the authority to look at the applicant's contention that this is federally mandated." The applicant raised the issue and has the burden of proving it. I submit that they cannot meet that burden because they haven't even met the basic federal public notification guidelines on notifying the public of the effect of this decommissioning on our radon exposure. And this is my child's life at stake.

So, I called a couple of national experts in nuclear chemistry and radioactive public health and I read the peer-reviewed journals that they sent me, and I've submitted them under separate cover. What they told me was very alarming.

Further, I've looked at the Water Bureau's evidence that they submitted about how this is mandated, and I see the EPA clearly told the Oregon Health Authority that it can allow a deferral, and so I'm asking you to please use your power to not only deny this application but scrap your self-imposed rush deadline so we can do this in a way that really protects my child and the rest of the public. Thank you very much.

Hales: Thanks very much. Next three. Good afternoon.

Charles Johnson: Good morning, Commissioners convened as the land use quasi-judicial tribunal. For the record, my name is Charles Johnson. And since we'll be talking

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about repair work, construction, demolition changes that are under review, we should paraphrase this with an appropriate tool word: screw you. That is the message that the Water Bureau and the recently-departed from his chair, Water Commissioner Nick Fish is sending. There's no way that anybody can say that they're being a public-minded public servant and bringing this crappy BS appeal --

Hales: You've gotta stick to the criteria.

Johnson: Those words are not prohibited by the Oregon Supreme Court, which will go into this hearing that will go in there.

Fritz: You need to stick to the approval criteria on this matter.

Hales: Things that aren't relevant don't change the case, so talk about what's relevant.

Johnson: As was just brought forth to you, this is a land use hearing and we're trying to determine if there's any good reason for this change. And there's not. And there's no good reason for the Water Bureau to be paid extensively over-paid public workers. Coming up here and saying, "we can't do it, and if you make us do it we'll make it cost \$8 million, that's how good of public servants we are."

So, as Commissioner Fritz pointed out at the beginning of this hearing, there's only really one good and proper public interest decision for you to make, and that is to say, "go away, we're going to leave the reservoirs alone until there's a real mandate from the feds," which will never come. So, do what's in the best interest of the citizens, don't change anything at the reservoirs there because there's no compelling public interest, there's no established legal reason. That is in the record, has been since Commissioner Saltzman and when Randy Leonard was on the City Council. You don't need to be spending this money.

And that's another atrocious thing that needs to be on the record. We have tens of millions of dollars to run construction gear up through Washington Park and destroy things but then, oh, my gosh, we can't afford to deal with the conduit on the lighting fixtures at Mt. Tabor Park. You all guys look absurd. [beeping]

Hales: Good afternoon, welcome.

Camille Day: Hello, my name is Camille Day. I'm a software engineer at Intel, I'm a resident of Portland, and I consider myself a citizen of Cascadia. Time after time, this Council under Mayor Hales' leadership has acted as if Portland was your personal playground, pushing an agenda the residents of Portland have opposed vocally and consistently. Backroom deals, closed balconies, and rushed decisions are not the symptoms of a healthy democracy. So here we are again, your supposed bullies -- as I have read in the papers -- ruining your playground fun. The people are speaking. As an elected representative, you need to learn to listen. Thank you. [applause]

Hales: Thank you. Good afternoon.

Brad Yazzolino: Hello, thanks for the opportunity to speak. I'm Brad Yazzolino. This is a real tragedy unfolding slowly for many years. I want to urge the City Council to uphold the Historic Landmarks Commission and I want to ask you to deny the appeal of the Water Bureau.

There's a lot of truth in the fact that the rush to this is a ridiculous and absurd unfolding. And I won't go into that, though, too much, because it's going to look like that in the future when all of this comes out. You know, all of you, that I've been shooting all this video. And the story will be told. And it's a long, complicated story. But basically, you are robbing us of our own water and indenturing Portland to years of expensive industrial and increased chemicals added water. We used to have our sun, our nearest star, cleansing our rainwater from the Bull Run Watershed. But now, thanks to -- shall I call you villains? Perhaps. We will have dark stored, over-chemicalized, degraded water until we build a new system perhaps to replace the fiasco that you have led us by the nose into.

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So, don't destroy the historic reservoirs. Keep them. Pledge to us that the Water Bureau and you, the City Council, will have to fund and preserve them at full fill levels and they would be historic monuments to our once safe, simple, and exemplary drinking water system. And they may be restored to that someday if we can possibly keep them from being literally shredded apart and utterly destroyed. Thank you.

Hales: Thank you. Ms. White, I think you're first.

Dee White: I'm Dee White. I live off of Foster. Rochester, New York changed their reservoir plans in 2010 after community opposition. Rochester's three open reservoirs were built in the late 1800s and are set in city parks. Rochester reservoirs are earthen, unlike our concrete reservoirs, which notably were built to last as they have for over 100 years and as they are today.

Here, I will read part of an email from the head of the department in Rochester that was sent to Friends of the Reservoirs in 2010. The City is in the process of implementing improvements to our three finished drinking water reservoirs, Cobbs Hill, Rush, and Highland. Both Highland and Cobbs Hill are located in public access parks within the densely populated areas of the city. Highland reservoir is located in Highland Park, a park that is listed in National Register of Historic Places. The park was designed by Frederick Law Olmstead in 1892. The public is very sensitive to any changes in their open reservoirs because they are considered aesthetic resources.

Thanks to sincere efforts by Mayor Bloomberg and Senator Schumer, the entire EPA LT2 rule, including the open reservoir requirement, is now under revision. New York City and Rochester were granted a deferral until 2028. Not one thin dime will be spent between now and then on treating or covering their open reservoirs. Both cities achieved the relief because they did not fast-track the compliance plan in the first place, unlike the Portland Water Bureau.

Mayor Hales, you had an opportunity to seek this kind of schedule delay from the state of Oregon when you took office in 2013. But sadly, you never even made the request. This is a failure of leadership. I implore you, Mayor Hales, to seek a construction delay from Governor Brown and stop this fast-track processing of dismantling our open reservoirs at Mt. Tabor. It's not too late to do this. Thank you.

Hales: Thank you. Good afternoon.

Paul Cienfuegos: Hi, my name is Paul Cienfuegos. I live a few blocks from the reservoir at Mt. Tabor. The Historic Landmarks Commission public hearings were the very first government body public hearings in Portland over the last few years on this topic that demonstrated a commitment to actually listen to we the people of this city. I attended two of the three public hearings. I attended the Warner Pacific meeting where the -- what's the word -- where the policy was on the agenda for discussion, and at the point that the policy part of the agenda was finally reached, the two City Council members who were present claimed they had to walk out. So, I've been waiting now for three or four years for some kind of public policy conversation -- ideally from you folks, the City Council -- where the public gets to act as if they're respected as the people that you represent.

And I lead workshops all over the United States on democracy and corporate rule. Here's the first paragraph of our state constitution in Oregon. I don't feel that the City Council and certainly not the Water Bureau is meeting the Oregon state constitution's minimums. Natural rights inherent in people. We declare that all power is inherent in the people, all free governments are founded on their authority, and instituted for their peace, safety, and happiness and they have at all times the right to alter, reform, or abolish the government in such manner as they may think proper.

That's the current first paragraph of the Oregon state constitution. I witnessed the Historic Landmarks Commission attempting to vote no on the disconnect of the reservoir.

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But I read their mandate on the website and they're not allowed to vote no. But they would have voted no on the disconnect if that mandate of theirs had allowed it. [beeping] You have -- I still believe that you as a City Council have never properly allowed the public in this city to represent their positions on whether the LT2 is even something that has to be met in the way that you're insisting it has to be met. And I suspect 80% of the public in this city agrees with me. And because you've never allowed a proper public process, that's why there's so much anger in the city today.

Hales: Thank you. Next folks, please. Go ahead, welcome.

Laurel Crissman: My name is Laurel Crissman. I'm a resident of the Mt. Tabor area. I visit the park frequently, and I've come here to speak from a very heartfelt place. I'm at loss to speak from any other place because it's all been said. All the science is in. All the specifics are in. And there's nothing else to do but speak from the heart, which I can barely do now.

But when we're speaking of beauty, the beauty of our park, Mt. Tabor Park, Washington Park for that matter -- that's a somewhat separate issue -- we're talking about the heart. And I'm just here to implore you to go to your hearts, to go to your conscience, to go to that place where maybe you will go in your quiet times -- I hope you have some quiet times. Because this is really a bigger issue than Mt. Tabor Park or Washington Park. It's a global issue, and it's a global issue about power.

And when you wonder why sometimes people speak disrespectfully, why they yell, why you don't get your peace like you would have it in these chambers, it's because that's sometimes what people do when there's misuse of power and they feel disempowered. Thank you.

Hales: Thank you. Welcome.

Luke Dolkas: My name is Luke Dolkas. Good afternoon, thanks for letting me speak. I've been a resident of Portland for 20 years. I own a small business in town. I have been enjoying Mt. Tabor for 20 years and I have two small children who are just starting to enjoy it as well. I'm Greek, so democracy is kind of a big deal for me. [laughter]

I just want to say that if the Water Bureau does not step up and take responsibility for the project that they started, the reservoirs will fall into disrepair. They will quickly become the eyesore of Portland as opposed to the gem that we're all used to. The Water Bureau needs to take responsibility for this project. Please do not allow them to get out of this decision that was made by the Historic Landmarks Commission.

The history books of Portland are being written right now today, right here in this room. What do we want them to say? What do we want them to say about us? And what do we want them to say about you, our leaders? We want our children and our children's children to read our history books and smile. Do we want them to say, I'm proud of our history? Do you want them to say that they are thankful our elected leaders fought to preserve our history? Do we want them to say they are proud and they want to emulate their past leaders' courage and foresight? Or do you want them to shrug their heads, sigh, and say they wish their parents, grandparents maintained our history. The reservoirs will fall into disrepair and quickly fall into disrepair and become the eyesores of Portland as opposed to the gem that we're all used to. The Water Bureau needs to take responsibility for this project. Please. Thank you very much.

Hales: Thank you. Good afternoon.

Floy Jones: Good afternoon. Floy Jones, I'm representing Friends of the Reservoirs. And as most of you know, we've been working on reservoir and all water system issues for over 14 years now.

We're proud to say that we, through our extensive efforts in 2004 -- which model of the efforts of Mt. Tabor Neighborhood Association on this issue -- were successful in winning the 2004 reservoir panel. And the way we were able to do that is we did invest a

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significant amount of time, but we were able to have dialogue back and forth on a weekly basis. And it was difficult, because at each step the Water Bureau would submit misleading information -- and I've heard it again today -- on the water level issue, on the cost issue -- those were the same tactics used at the reservoir panel. But when you're able to dig into documents and sit together and analyze the information, reasonable people come to the same conclusion. That's why the majority of the reservoir panel supported us.

And for the record, there have been a lot of false statements made to the media. There is no mandate to eliminate open reservoirs. There absolutely is no mandate to do that.

I submitted 10 pages of comments addressing all of the land use issues, including ownership, water level, all of the significant issues. I'm not sure that I have time at this moment to cover those. So regarding the costs, when the Water Bureau wants to expend money, even though that's not in the budget, it's not really an issue. And we can look to Washington Park in 2006. There was nothing in the budget to engage in infrastructure upgrades and aesthetic upgrades at that park. But within a month or two, that money was in the budget and they were putting in \$100,000 new wrought iron fencing replacing the cyclone fencing. They spent hundreds of thousands of dollars on the grand open staircase, new sidewalks. We didn't support having to do that on a rush schedule. And we of course support maintaining and supporting historic open reservoirs. So, there's no doubt in my mind that there's money available to take care of the historic structure items that have been supported by the Landmarks Commission. So obviously, we don't support decommissioning the reservoirs, but we do support the position of the Historic Landmarks Commission.

Hales: Thank you very much. Thank you all. Welcome, go ahead.

Kathryn Cherie Lambert Holenstein: Good afternoon. My name is Kathryn Cherie Lambert Holenstein, and I do not need two minutes today and this City Council does not need to do this. The EPA is revisiting their ruling, and they'll give a report next year. So my question is, why the rush? But I find that this City Council is in a very big hurry to demolish and destroy -- whether it's very livable homes and make more homeless people, or destroy our reservoirs, the best water system in this country. Water is life. Do not destroy our reservoirs. Thank you.

Hales: Thank you, welcome. Good afternoon.

Janet Marcley-Hayes: Good afternoon. I'm Janet Marcley-Hayes, and I just want to say you people are supposed to be representing us. Please do that. Thank you.

Hales: Thank you. Good afternoon.

Jessie Sponberg: Thank you guys. My name is Jessie Sponberg, or as you guys nicely referred to me in the news all week, a bully. Let me explain something to you. When I came here today, I was so torn. First, I wanted to talk about your campaign donations and people like Joe Glick are going and actually writing these things. Then you said something today. You said were the fourth person in charge of the Water Bureau since Commissioner Saltzman. I would challenge that none of you have been in charge of the Water Bureau, and that this whole time it's been developers that are in charge of the Water Bureau, the same developers that are keeping you all elected because if you don't do what they say, you won't get the money for your fancy television commercials. You're only going to be here for one more year, buddy, slow it the hell down. I don't even recognize this city that you took over three years ago. You met at Mark Weiner's house with the Uber people and you brought Airbnb in here, Division Street doesn't look like it used to look like and still afford to live there, and you guys are jumpin' at the bit to get more money, to get more contracts to build more stuff so more consultants or more contractors. Who do you work for? Like, seriously, who do you work for? Us?

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That picture right above you, that's a picture of Mt. Tabor. Are you going to go up and paint condominiums on it? Just like the one on Division, the old reservoir that was allowed to fall into disrepair until there was no other choice? But let's put condos up there. Look at SE Division Street. Do you think we believe there's any sincerity going on here? These people behind me all took time off of work. I took time off of work. These people have been taking time off of work to go to historic land use commissions and neighborhood meetings and Warner Pacific only to get walked out on. Dan Saltzman walks out in the middle of four people's testimony, he comes back. You walked out in the middle of four people's testimony. How insincere is this circus going on? Not for one minute I do think any of you guys -- maybe Commissioner Fritz about 50% -- but the rest of you, you've got people in your pockets, putting money in your pockets, and I want to say this is a travesty. If that makes me a bully, well that's what happens when somebody's gone 15 years without being listened to. Thank you for your time. [applause]

Hales: Thank you. Next? Come on up, if you still want to. May be the last word. Anyone else who wants to speak?

Moore-Love: Any of those names I called, please come on up.

Hales: Anyone else whose names were called, come on up. Good afternoon.

Carole Scholl: Good afternoon. My name is Carole Scholl, I'm a taxpayer and a homeowner and a proud resident of Montevilla, the eastside of Mt. Tabor. Every week, I ride my bike over Mt. Tabor. And these days, I look at the trees with little tags on them, they are going to be chopped down for the disconnect project, and it just breaks my heart. Every week also, I walk the stairs along with hundreds of other residents and tourists and I sit at the top of Mt. Tabor under those giant trees and I look down at the beautiful reservoirs and I'm so proud to live in Portland when I see that sight.

So, I'm here -- I also took most of the day off work to be here -- in praise of my park and to urge you all to uphold the Historic Landmarks Commission ruling and deny the Water Bureau's appeal. And trees count. And views bring tourists. And tourists bring money to our great city. Again, thank you all for your work. One part of the Historic Landmarks Commission's ruling was to create some educational plaques. Now, I'm an educator, and wouldn't it be great if our kids in the future could see your names up there on those plaques as being the champions of Mt. Tabor? You know, Mt. Tabor's history is just fantastic. I've learned so much in this process. Thank you, Amanda Fritz, for helping us all members of the public get to know what's going on. Thank you all for your work. Again, let's preserve Mt. Tabor.

Hales: Thank you. Good afternoon, welcome.

Nan Wigmore: I'm Nan Wigmore, and I would like to. I'm 78 years old today, and I don't want applause. [laughter] But 68 of those years have been spent within 10 blocks of Mt. Tabor Park. My husband and I built a house we purchased five blocks from this park because it was so close to the park. We could raise our children and come here every day. So my kids played in the huge pool that was here, sometime gone. I skidded out the seat of my jeans coming down the old volcanic caldera. I found courage, and so did my grandchildren, in the playground. We found strength. And there are things that I talk about that I've heard here that sound sentimental. Please, sirs; please, ma'am; we do not come here because of sentimental value. We come here for the future, as you must have done when you started out with your careers. And I've heard you say, Amanda, that you took a vow. I appreciate that you care, but something along the way has caused something to change. And I don't know what it is exactly, but I know that we deserve better now. We deserve at least what our parents saw as a wonderful place to raise their children. I learned to play tennis on the tennis court here -- the first sport I learned. [beeping] And I

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didn't finish writing my notes, so I don't know if I can have more say, I don't know how much time I have but I could talk a while, you know. [laughter]

Hales: We appreciate you very much being here.

Fish: I move to suspend the rules.

Hales: Yeah, we're happy to give you some more time.

Wigmore: Excuse my enthusiasm. So, for the history of Mt. Tabor, I used to take people on tours of Mt. Tabor and the park. I would explain to them what I knew, which wasn't a lot. I know that I took romantic drives and walks with my ex-husband before we were married. I remember that great-grandparents came here when they were older -- relatives came from a long way across the country -- for picnics at the top of the mountain where we can no longer drive. Perhaps the City will someday -- I hope -- think about that kind of thing. How do you get those who have some disability or aged to the top of the park again? That would be a good way to spend one of those dollars.

I remember a good friend who was about my age telling me she came up here on her honeymoon from San Francisco when she was about 20 years old. She's gone now. But that was the kind of reputation Portland had at the time. I think I've said enough, but I want to thank you very much for being here and listening this one time. Because somehow, I feel you're listening to us, and the people have some wisdom here. Please listen. [applause]

Hales: Thank you. Let's suspend the rules for that. Sir, that's a very hard act to follow, but you're welcome to try.

Michael Conley: Well, if I last another 30 years maybe you'll let them clap for me, too.

Hales: I think so. Please just put your name on the record.

Conley: Yes, my name's Michael Conley, and a citizen, taxpayer, ratepayer -- I guess in that order. I want to ask to be excused -- I had to step out on some personal business, so some of what I am going to say may have been said already.

But the main thing I want to say is that I believe that the whole idea of demolishing these reservoirs is a wonton act. And it reminds me of the way people used to act towards nature when European settlers first came out here and they just, "well, let's run roughshod over it, let's do what we want." They didn't think of it like that, they didn't have that awareness. Same thing with pollution and everything else. I know that's a little bit off the topic, but to me it's just a wasteful act that doesn't really fit with the Portland ethos that we're famous for around the country.

I believe it's very ironic that this whole thing was set in motion by an EPA ruling which normally -- yeah, go EPA! But you know what? In this case, they were wrong. We didn't fight it. So now, we're having this conversation about destroying these wonderful reservoirs, and possibly impacting the quality of our drinking water for generations to come.

As a ratepayer, I also want to note -- I was here during much of the discussion but I missed the last hour but I took some notes during the talk about the gatehouse restoration. Well, that came in four times over budget, around \$200,000, four times the estimate. So that makes me wonder, what about the whole \$8 million? Is it going to be \$32 million? Is that going to be \$40 million? Because as we all know, these kind of cost overruns are common in public projects. [beeping]

I think that when Commissioner Fish said that he was defending the Water Bureau and he said there's a fundamental disagreement among citizens, I don't think that's correct. Because like I said, I was out, but I haven't seen a whole bunch of regular citizens come up and say yeah, destroy the things, like all the truckloads of material and those huge contracts. I don't think anybody's really in favor of that. We don't want to pay it for,

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we don't want to live through it, and also we're going to be -- it's very wasteful to our legacy of our water infrastructure.

Hales: Thank you very much. OK, I think that we've covered the list of folks that wanted to speak?

Moore-Love: That's all who signed up. There was a request to speak from someone who didn't sign up.

Hales: OK.

Moore-Love: Ma'am, if you're still here?

Hales: Sure, come on up, please. Good afternoon.

Joy Ellis: Hi. My name is Joy Ellis, I'm a Portland native, I'm an attorney, I lived a block from Mt. Tabor Park for the last 19 years as homeowner, and I'm also coming to you as a mother. I've never had to testify before you before, I've never felt moved to need to testify in front of you. So I'm sorry if my voice shakes, but the issue is near and dear to me.

I was disturbed by the decision to disconnect the reservoirs and take them offline, but I was far more disturbed when I attended a tour of the project last summer and realized quickly that the Water Bureau had little interest in maintaining the reservoirs whatsoever. I asked a question about what would happen to the reservoirs once the disconnect project was complete and was told by a glib Water Bureau representative that it was no longer their problem. And this choice of words seemed odd to me, since the reservoirs were never a problem to anybody, near as I could tell and calling them that was revealing indeed. When did this historic treasure, this incredible public works project, this amazing story about our city's drinking water become a "problem" and not a civic asset that sets this grand park apart from all the others?

I support the conditions set on the Water Bureau's permit. The mandate for repair and maintenance to these historic structures is basic common sense. If the Water Bureau cannot live with those conditions, then the bureau should not be permitted to proceed with the disconnection project and wreck out park.

We need more historic beauty in the city. It compensates for the dense urban development we all tolerate. Those reservoirs offer that respite from the modern world and from our density. They give us a play to go and walk off a stressful day, exercise the dog, take the kids for a safe ride walk away from traffic, and the expanse of those deep pools allow us all to take a deep breath and realize how lucky we are to live in this wonderful city.

In addition to beauty, however, we need more accountability. Allowing the Water Bureau to simply walk away from repairing and maintaining the historic district in the manner they should have done all along as a steward of the city's resources would be a mistake. And I see it as an irreversible one that sends the wrong message at a time when the City of Portland and the City Council specifically needs to send a very different message. I therefore call on you, my City Council, to let the unanimous Historic Landmarks Commission decision stand, allowing Mt. Tabor Park to be intact and inviting for generations to come. Thanks.

Hales: Thank you. [applause] Welcome, good afternoon.

Georgie Lampros Obradovich: Hi. I came up with Joy to be in solidarity. I hate to be the last person to speak here today. I'm Georgia Lampros Obradovich. I grew up here in Portland. Love Washington Park. Grew up there, grew up in Mt. Tabor the second half of my life. I love this City. I love the park. I think they are treasures. People come here to see Mt. Tabor Park. I take all my husband's people that come from out of town up to our reservoirs to see the beauty of Portland. So, I think it should be protected.

I need you to invest in it. And places like this must be preserved for our children. You can make this happen. Don't stand for anything less than keeping our Mt. Tabor Park alive with the now-historic reservoirs. They're historic reservoirs and they need to be kept

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intact. Even if they no longer serve to provide us with water -- if that should happen, they should be maintained for their pure beauty and peacefulness.

We moved here to Mt. Tabor 23 years ago, and we raised two kids, three dogs in this wonderful neighborhood. We pay \$11,000 a year in property tax on Salmon Street. I go up there every day, and I don't care about that because I love my park. I think we would gladly pay more if you could keep it the way it is, maintain it. Don't pass the buck, make somebody stand for keeping it the way it is -- either the City or the Water Bureau -- it needs to remain as it is. Don't chop down the trees down, please. Thank you.

Hales: Thank you, thank you both. [applause] OK, I want to give the parties an opportunity for rebuttal because we have that in the schedule here, and then we can decide whether we want to keep the record open and proceed that way or not.

Rees: So --

Hales: -- but we'll give the Water Bureau first -- sorry, am I messing up?

Rees: Typically, rebuttal follows the close of the record.

Hales: OK, so we're going to decide if we're going to close the record, sorry --

Rees: If you want to do rebuttal and more rebuttal later, you can do that -- [speaking simultaneously]

Hales: So we'll hear from the Council about whether you want to keep the record open and whether there's a request from either the Water Bureau or the Mt. Tabor Neighborhood Association to keep the record open for some time, because we'll take that into consideration. You're call on whether you'd like that or not.

Wyman: Mr. Mayor, Ty Wyman again, and I will take that as an invitation to address you. And I will be brief here. I do think new information has been submitted today -- quite a bit of it by the Water Bureau. More importantly, I sense that there remain questions in the minds of the Commissioners. And really, when you make that decision, there shouldn't be any questions left. Some of the questions I think even are factual at this point. That really lends itself to an open record period, and so we would request one.

Hales: How much would you like? I would recommend a couple weeks.

Wyman: Yeah, I think the two weeks was fine.

Fish: And so if we were to do that, Council, we could then set a hearing where we would reconvene for the purposes of rebuttal, since the record would then close, and we'd have a chance to ask the parties questions that may have come up. And then we would either deliberate rate or schedule another time to deliberate rate. Does that make sense?

Wyman: Absolutely, it does. I want to stress -- I think all of us ought to be at your disposal in making this decision and give you whatever availability you think you need. As we said, there's a big record here, it's gotten a little bit bigger. We want to be responsive.

Fish: Mayor, I might just informally suggest that we keep the record open for a couple weeks -- we've done that in some recent hearings -- and then set a time for rebuttal. And at rebuttal, we can decide whether to deliberate or take additional time, which is also within our purview.

Hales: I would like that. I've got some questions from the hearing --

Fish: Teresa, do you object to that?

Elliot: What's that?

Fish: There's been a request to keep the record open and then we'd reconvene for rebuttal.

Elliot: Actually, we would like to have a couple minutes to talk amongst ourselves.

Hales: OK.

Fish: It would be I think unusual for an applicant to not agree to that.

Elliot: I don't think that we disagree with that, but do I know we want to have a couple minutes.

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Fritz: Are we required to leave the record open if there's been new evidence submitted?

Hales: I'll give you a minute to confer, but we've got a request from one of the parties and an interest in the Council in keeping the record open. So, I'd need to hear an awfully good argument as to why we shouldn't do that.

Fritz: I just want to know from the City Attorney --

Wyman: Mr. Mayor, I would offer to fill the interim with a minute's work of remarks -- my own remarks about the open record -- how I view the open record period.

Fish: Since they're conferring --

Saltzman: How about stand-up comedy, maybe? [laughter]

Wyman: You'd actually have to go to my son for that.

Hales: I'd actually ask you not to do that.

Rees: I'm sorry, I was asked a question by Commissioner Fritz on that topic, so I'd like to at least jump in here. This is not the initial evidentiary hearing that was held before the historic Landmarks Commission, so you're under no obligation to grant it, and it's at your discretion of whether you wish to grant some more time for people to respond to the information today.

Fritz: Thank you. And then I have a follow-up question. Are there restrictions on the abilities of the parties and or members of the Council to talk amongst ourselves to try to get to an agreed-upon solution?

Rees: You all are still under the ex parte rules set by our code and state law, which provides that you are not supposed to be talking about this with interested parties in the interim. That doesn't preclude the party from having those discussions, but the members of the adjudicatory body are not supposed to be doing that.

Fish: I think also I know where my colleague may be going on that, and I would say in the interim is that because a number of people were not able to testify today -- a number of people were called and didn't testify -- because we've had a claim there was some new information, I still think it's the better practice to keep the record open so that everyone has a chance to be heard, and then to reconvene for rebuttal so Council has a chance to make sure. At that point, I think we can consider alternative ways for resolving the dispute. But there's a couple of issues for me that have to be sharpened before I would -- so I would urge that we come back -- I think you've suggested Mayor, two weeks. That makes sense. Have the rebuttal testimony, and then we as a Council can decide next steps.

Hales: Right. And I have some specific questions and direction I'd like to give to the parties in the meantime. They are free to confer between themselves, even though we're not free to have those conversations.

Carter: May I take a couple minutes? We'd like to just say where we think we are in the hearing. And we're fine with having the record open, that sounds great. Looks like there will be some good opportunities to work some things out. But I wanted to point out that about condition B -- that as we mentioned, we've got a proposal that we designed to preserve options for whatever future uses the City might select --

Fish: I'm sorry, I have to jump in, Mayor. This sounds like rebuttal.

Carter: You don't want to hear -- OK -- [speaking simultaneously]

Fish: With all due respect, we want to give you a full opportunity to do that on both sides, but that's why we're suggesting a two-week set-over and then we can come back and hear everyone's arguments. I know you have something important to tell us but it's quarter of six and it would be better to have the record open for two weeks.

Carter: Sure.

Hales: While you're both here, I have some issues that I'd like to hear from you on at rebuttal. One, we've heard new information about the cycle time involved in draining, cleaning, and refilling the reservoirs. I'd like more precise information about what that will

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be in reality -- what that is likely to be in reality. And given that cycle time, an estimate of how many days each year of reservoirs would actually be full or near-full. Given the fact that it sounds like it's going to take 100 days -- nearly 100 days to drain and refill them and the year is only 365 days long, I'm pretty concerned about that. So, I want to hear more about what that will be in reality, given that the condition is talking about that the reservoirs must continue to hold water within the normal historic operating range. It sounds like given what we heard from the Water Bureau today -- and I may not have understood the mechanics as they were described -- but it may not be physically possible for the Water Bureau to meet that condition given what you've testified to today. So, I need to hear more about that.

I believe that condition E, as better explained by the members of the Landmarks Commission that were here, was intended to mean -- was not to be slavishly interpreted, but was to be interpreted in a focused way towards restoration and maintenance projects, and that the removal of non-historic elements such as light fixtures and conduits that are attached to or involved with those maintenance and restoration projects are what they were intending when they referenced non-historic elements, not all of the non-historic elements mentioned in the Mt. Tabor Reservoirs Historic Structures Report.

So, I would urge the parties to confer in general, because it's always good in a land use case and people can go off and settle things. It doesn't always happen, but it's nice. But I would urge those two parties to confer anyway. But I would particularly like them to confer about the question of, realistically, what restoration and maintenance projects are we talking about, and is there a list that at least there might be general agreement on between the Water Bureau and the Mt. Tabor Neighborhood Association? Those seem to me to be a couple of productive areas from what I've heard in this hearing that might help us get to a better decision, or at least understand that one might not be possible.

Fish: Mayor, can I build on that for a second?

Hales: Mm-hmm.

Fish: In addition to that request, we heard some testimony that the 2009 report may also have some alternative approaches that are discussed. So if there is a fork in the road and an alternative approach, it would be good if you are conferring to have that conversation as well so we don't come back and find out we've identified what structures are covered and what aren't, but we're not in agreement as to the level of preservation. So, if there is an alternative approach, I would ask you to have that as part of the dialogue.

In addition, there was -- I think the record -- there's some question in my mind about what SHPO did or didn't do, and to the extent they determined there was no adverse impact, what they were referring to. This is a -- and I understand from prior testimony that we have the record in front of us. What I would say is if there's something either of you would like you to specifically focus on and you want to submit the letter or the history or the history in a highlighted thing, that's very helpful to us when we have a substantial record, because then we know exactly what you're talking about and what you think is important. So, thank you.

Hales: Other requests?

Fritz: I've heard from two of my colleagues some interest in doing at least some of the projects in the Historic Structures Report from 2009, so I'm going I understand date my support for that approach. And so I encourage the Water Bureau to look at these tables from page nine to 16 in the report to figure out which ones can be done.

And then the question of how to pay it for is a different question. So, that's the Council's responsibility. Somebody testified that we could start doing it tomorrow. Actually, it would have to be in a capital improvement plan, which would have to be figured out into the rates. So the earliest it could start would probably be next years. So, I do have some

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concerns and a question about realistically how quickly could those be done without raising the rates 10% or whatever it might be. I think that's certainly something the current Commissioner-in-Charge of the Water Bureau and the Mayor have been very reluctant to raise overall sewer and water rates over 5% for the past two years. So, the timeline for the number of projects we think are appropriate. And in looking through this, it looks to me like almost all of them are basic maintenance and repair with associated occasionally removing stuff. I'd like to know from the Water Bureau -- in an ideal world, factoring in that ratepayers are going to have to pay for this, what would that condition look like specifying which projects to do, and also specifying perhaps a different timeline? Because even though 2019 sound like a long time away, it really is just around the corner in terms of budgeting and getting things done.

Fish: And Mayor, I also want to acknowledge -- Tom Koehler spoke earlier -- I think he's probably gone. He talked about civic rituals, these civic exercises where we come together and have these debates and these discussions. This week we also had the Grant High School constitution team come to Council and a group young people that won the national championship. I think it's the second or third time in five years they have done so. It's the best in the country in grappling with big questions under the constitution that don't have a ready answer. I would like to echo the spirit of what Tom said, Mayor, which is that this has been a long afternoon and a very passionate debate, but I think it was in the way Portland traditional in the way Portland debates these issues, and I deeply appreciate that -- people took time and came out and shared their views. And I think, frankly, the record will give us basis for making a more informed decision on this than we would have otherwise. So, I want to just acknowledge that.

Hales: Thank you.

Fritz: In terms of the of the way forward, I'm not sure that it's realistic to be able to expect the parties to be able to both get the information that we've asked and meet together and come to some agreement in two weeks. So, what we had previously suggested to come back at the closure of the record, the rebuttal and such. Commissioner Fish, you engaged some consultants at the beginning of this process to do some mediation facilitation, which that process seemed to go very well. It might be something we consider after the two weeks to see if we could quickly get the two parties together, since you and I can't be involved in it. To have a third party mediator. Can we do that? The City Attorney's looking a little bit nervous. No?

Hales: She just does that naturally. [laughter]

Fish: That's her job.

Hales: Whenever we talk!

Fish: We pay her to be nervous.

Rees: Just in terms of scheduling to make sure you're aware, we were aware that it would be possible that the record be held open until June 11th, and we've identified a time for Council to come back for rebuttal and deliberations June 25th at 2:00. If there's a way to make that work, that's great. If there's not, we would find a different time frame.

Fish: I would urge to hold that date, the 25th.

Hales: I like that.

Fish: That gives a prescribed time for the record -- for the people to put additional information in the record, and provides about a month for the process that you contemplated, Commissioner.

Fritz: Except there isn't a Council session to hear the rebuttals.

Hales: No that will be on the 25th.

Fish: That is when it originally was -- we were going to -- the proposal was to come back on the 25th for rebuttal.

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Fritz: Then what happens between the 11th and the 25th?

Hales: One, the record is then completed, and the two appellants will have a chance to review anything that's come initiative, in writing from people --

Fritz: So at that point, they could perhaps get together --

Hales: -- that didn't get a chance or otherwise --

Fish: No, they could -- let me just make sure that I understand the question, I think it's a good one. I believe there's nothing that prevents the parties voluntarily from beginning that process now. The only reason we're proposing additional time following the closing of the record is so the parties can read the record and prepare their rebuttal. It contemplates what I think you were getting at, which I think is almost a month for the parties to have those potentially mediated discussions.

Fritz: Right. And we might be able to help with that mediation?

Fish: I think we could help with it as long as we're not a party to it. You and I could meet to confer on that.

Fritz: Great, thank you.

Hales: Unless there's further Council deliberations or anything the two of you feel like you have to throw into the mix, I'm going to say that we're going to hold the record open. We're going to close the public hearing for purposes of verbal testimony. We're going to hold the record open for written submittals from anyone who'd like to, whether they attended today's hearing or not, and that will close June 11th.

Rees: On June 11th at 5:00 p.m. And the Council Clerk has handouts that show where those may be submitted.

Hales: OK. And then we will return to this item at 2:00 p.m. on the 25th for purposes of Council discussion and for rebuttal by both appellants.

Rees: Yes. And it would be good to let people know that it is possible that Council would reach a tentative decision at that time.

Hales: It is quite possible that the Council would make a tentative decision that day. And as we always do in land use cases, we make a tentative decision and it comes back with legal findings later.

Fish: So Karla, that 2 o'clock time certain on the 25th work for you?

Moore-Love: Yes, that was an open date.

Fish: What day is that?

Moore-Love: That is a Thursday.

Hales: Thursday the 25th.

Fish: Thank you.

Hales: That work?

Fritz: And just a note to the community members -- to repeat -- Commissioner Fish and I are not allowed to talk with anybody directly, so our staff will be in contact to figure out about the mediation, should it be desired.

Hales: OK. This item's continued on that schedule and we're adjourned for this week. Thank you all very much.

At 5:52 p.m., Council adjourned.