



CITY OF  
**PORTLAND, OREGON**

OFFICIAL  
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **27TH DAY OF APRIL, 2005** AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Potter, Presiding; Commissioners Adams, Leonard, Saltzman and Sten, 5.

At 11:57 a.m., Council recessed  
 At 1:38 p.m., Council reconvened.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Ben Walters, Senior Deputy City Attorney; and Officer Curtis Chinn, Sergeant at Arms.

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

<b>COMMUNICATIONS</b>	<b>Disposition:</b>
<b>364</b> Request of Paul King to address Council regarding Echoes of Discovery, a Lewis and Clark Bi-Centennial event (Communication)	<b>PLACED ON FILE</b>
<b>365</b> Request of Barbara Allen to address Council regarding Echoes of Discovery, a Lewis and Clark Bi-Centennial event (Communication)	<b>PLACED ON FILE</b>
<b>366</b> Request of Barbara Steinfeld to address Council regarding Echoes of Discovery, a Lewis and Clark Bi-Centennial event (Communication)	<b>PLACED ON FILE</b>
<b>367</b> Request of Charles E. Long to address Council regarding First Baptist Church (Communication)	<b>PLACED ON FILE</b>
<b>368</b> Request of Carlos Jermaine Richard to address Council regarding a simple prayer (Communication)	<b>PLACED ON FILE</b>
<b>TIME CERTAINS</b>	
<b>369</b> <b>TIME CERTAIN: 9:30 AM</b> – Implement a comprehensive update to the City of Portland and the Portland Development Commission 2001 Green Building Policy to reflect advances in green building knowledge and practices (Resolution introduced by Commissioner Saltzman)  (Y-5)	<b>36310</b>

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<b>370</b> <b>TIME CERTAIN: 10:00 AM</b> – Gradually increase the Owners Compensation Deduction to the Business License Fee (Ordinance introduced by Commissioners Adams and Saltzman; amend Code Section 7.02.600)	<b>REFERRED TO COMMISSIONER OF PUBLIC UTILITIES</b>
<b>CONSENT AGENDA – NO DISCUSSION</b>	
<b>Mayor Tom Potter</b>	
<b>Bureau of Environmental Services</b>	
<b>*371</b> Authorize a contract and provide for payment for the construction of the Sullivan Sewer Structural Rehabilitation Project No. 6699 (Ordinance) (Y-5)	<b>179200</b>
<b>Fire, Rescue and Emergency Services</b>	
<b>*372</b> Authorize a contract and provide payment for the purchase of one fire apparatus for Portland Fire & Rescue (Ordinance) (Y-5)	<b>179201</b>
<b>Office of Management and Finance – Human Resources</b>	
<b>*373</b> Create a new Nonrepresented classification of Parks and Recreation Administrative Manager and establish a compensation rate for this classification (Ordinance) (Y-5)	<b>179202</b>
<b>*374</b> Create a new Nonrepresented classification of Materials Quality Compliance Specialist and establish a compensation rate for this classification (Ordinance) (Y-5)	<b>179203</b>
<b>Office of Management and Finance – Risk Management Division</b>	
<b>*375</b> Pay claim of Jean Pearson (Ordinance) (Y-5)	<b>179204</b>
<b>Office of Sustainable Development</b>	
<b>*376</b> Authorize an Intergovernmental Agreement with Portland State University in the amount of \$5,470 for a recycling project funded through a pass-through grant from the Department of Environmental Quality (Ordinance) (Y-5)	<b>179205</b>
<b>Office of Transportation</b>	
<b>377</b> Amend contract with the Inekon Group to purchase spare parts of Portland Streetcar vehicles (Ordinance; amend Contract No. 32210)	<b>PASSED TO SECOND READING MAY 4, 2005 AT 9:30 AM</b>
<b>SECOND READINGS</b>	

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<p><b>378</b> Grant a revocable permit to the Portland Rose Festival Association to erect and maintain flags and banners on the ornamental light standards in downtown Portland from May 24 through June 30, 2005 (Second Reading Agenda 334)</p> <p>(Y-5)</p>	<p align="center"><b>179206</b></p>
<p><b>379</b> Grant revocable permit to the Portland Rose Festival Association to use Tom McCall Waterfront Park for its Waterfront Village from May 20 through June 19, 2005 or as approved by the Portland Parks and Recreation Bureau (Second Reading Agenda 335)</p> <p>(Y-5)</p>	<p align="center"><b>179207</b></p>
<p><b>380</b> Grant revocable permits to the Portland Rose Festival Association to hold the Starlight Parade in downtown Portland on June 4, 2005 (Second Reading Agenda 336)</p> <p>(Y-5)</p>	<p align="center"><b>179208</b></p>
<p><b>381</b> Grant revocable permits to the Portland Rose Festival Association to hold the Junior Rose Festival Parade on June 8, 2005 (Second Reading Agenda 337)</p> <p>(Y-5)</p>	<p align="center"><b>179209</b></p>
<p><b>382</b> Grant a revocable permit to the Portland Rose Festival Association to close portions of city streets for activities related to the Grand Floral Parade: for formation area from 5:00 a.m. to 1:30 p.m. on Saturday, June 11, 2005; for disband area from 6:00 a.m. to 3:00 p.m. on Saturday, June 11, 2005; for erection of seating on sidewalk area on westside of Martin Luther King Jr Blvd from 12:00 p.m. June 9, 2005 through 8:00 p.m. June 11, 2005; and for erection of seating in Winning Way from 8:00 a.m. Friday, June 10 through 4:00 p.m. Saturday, June 11, 2005 (Second Reading Agenda 338)</p> <p>(Y-5)</p>	<p align="center"><b>179210</b></p>
<p><b>383</b> Grant revocable permits to the Portland Rose Festival Association to hold the Grand Floral Parade on June 11, 2005 (Second Reading Agenda 339)</p> <p>(Y-5)</p>	<p align="center"><b>179211</b></p>
<p><b>384</b> Grant revocable permit to Portland Rose Festival Association to close certain streets from June 15 to June 19, 2005 to hold its Rose Festival Art Festival, waive fees for some permits and inspections (Second Reading Agenda 340)</p> <p>(Y-5)</p>	<p align="center"><b>179212</b></p>
<p><b>385</b> Authorize the Director of the Office of Sustainable Development to submit those documents necessary to obtain energy studies, cash rebates, tax credits and tax credit pass-through rebates for energy improvements on city-owned facilities (Second Reading Agenda 344)</p> <p>(Y-5)</p>	<p align="center"><b>179213</b></p>
<p><b>386</b> Apply for a \$460,000 grant from Oregon Parks &amp; Recreation Local Government Grant Program to develop the Holly Farm into a park (Second Reading Agenda 346)</p> <p>(Y-5)</p>	<p align="center"><b>179214</b></p>

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<p><b>387</b> Amend contract with Mike Kemp to extend the duration and increase compensation to provide firearm and less lethal weapons training (Second Reading Agenda 348; amend Contract No. 35520)  (Y-5)</p>	<p align="center"><b>179215</b></p>
<p><b>388</b> Amend contract with Alpha Engineering, Inc. to extend expiration date beyond 5-year anniversary date for the Large Meter Test Bench Upgrade Control System Design (Second Reading Agenda 349; amend Contract No. 32892)  (Y-5)</p>	<p align="center"><b>179216</b></p>
<p align="center"><b>REGULAR AGENDA</b></p> <p align="center"><b>Mayor Tom Potter</b></p> <p align="center"><b>City Attorney</b></p> <p><b>*389</b> Authorize contract with Greenberg Traurig and Garvey Schubert Barer to provide legal and consulting services regarding acquisition of Portland General Electric (Ordinance)  (Y-5)</p>	
<p align="center"><b>Fire, Rescue and Emergency Services</b></p> <p><b>390</b> Accept contract with ParTech Construction, Inc. for the remodel of Fire Stations 8, 19 and 20 as complete, authorize the final payment and release retainage (Previous Agenda 343; Contract No. 35011)  (Y-5)</p>	
<p align="center"><b>Office of Management and Finance</b></p> <p><b>391</b> Adopt City of Portland Interest Rate Exchange Agreement Policy (Resolution)  (Y-5)</p>	
<p align="center"><b>Office of Transportation</b></p> <p><b>*392</b> Authorize agreement with Union Pacific Railroad Company to provide rail improvements for construction of the East Columbia to Lombard Connector Project (Ordinance)  (Y-5)</p>	
<p><b>*393</b> Authorize agreement with Union Pacific Railroad Company to provide for construction, maintenance and operation of the new NE Columbia Way underpass grade separated public road crossing for the East Columbia to Lombard Connector Project (Ordinance)  (Y-5)</p>	
<p><b>*394</b> Amend agreement with Portland Streetcar, Inc. to continue to provide professional services to plan and carry out the federal processes related to the Portland Streetcar Eastside Extension Project (Ordinance; amend Contract No. 31428)  (Y-5)</p>	
<p align="center"><b>SECOND READINGS</b></p>	

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<p><b>395</b> Apply to Oregon Department of Transportation for Traffic Safety Records Grant in the amount of \$20,000 for the modification and development of crash data reporting and query tools (Second Reading Agenda 358)  (Y-5)</p>	<p><b>179221</b></p>
<p style="text-align: center;"><b>Commissioner Sam Adams</b></p>	
<p><b>396</b> Limit Global Events Group to begin warm ups for race cars at Portland International Raceway from 9:00 a.m. to 10:00 a.m. on Sunday, June 19, 2005 (Resolution)  <b>Motion to close the testimony and call the question:</b> Moved by Commissioner Sten and seconded by Commissioner Adams and hearing no objections, so moved.  (Y-5)</p>	<p><b>36311</b></p>
<p><b>397</b> Direct Portland Parks and Recreation to develop two separate Request for Proposals to quantify and begin to address noise concerns in North Portland (Resolution)  (Y-5)</p>	<p><b>36312</b></p>

At 2:40 p.m., Council recessed.

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**WEDNESDAY, 2:00 PM, APRIL 27, 2005**

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

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April 28, 2005

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 28TH DAY OF APRIL, 2005 AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Potter, Presiding; Commissioners Adams, Leonard, Saltzman and Sten, 5.

Mayor Potter arrived at 2:24 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Kathryn Beaumont, Senior Deputy City Attorney; and Officer Curtis Chinn, Sergeant at Arms.

	<b>Disposition:</b>
<p><b>398</b> <b>TIME CERTAIN: 2:00 PM</b> – Accept City Engineer status report on progress of the neighborhood improvement projects identified in the Portland Aerial Tram Final Recommendations and Report and direct the Portland Office of Transportation to proceed with the implementation of specific neighborhood improvement projects (Resolution introduced by Mayor Potter)</p> <p><b>Motion to accept amendment to add “BE IT FURTHER RESOLVED, that the City Council directs the Portland Office of Transportation to work with Marquam Hill property owners, residents, businesses, and institutions to develop a plan for funding and building sidewalks on SW Gibbs St., SW 11<sup>th</sup> Ave., and SW Gaines St. The Plan should include funding strategies for implementation, including the use of local parking meter revenues and Local Improvement Districts and funding partnerships with PDOT, OHSU and other Marquam Hill Institutions; and”:</b> Moved by Commissioner Adams and seconded by Commissioner Sten. (Y-5)</p> <p>(Y-5)</p>	<p><b>36314</b> AS AMENDED</p>
<p><b>*399</b> Amend contract with Portland Aerial Transportation, Inc. to provide construction administration, peer review and project management services and to accept the assignment of contract with agps architecture for the Portland Aerial Tram project (Ordinance introduced by Mayor Potter; amend Contract No. 35021)</p> <p>(Y-5)</p>	<p><b>179222</b></p>
<p><b>*400</b> Authorize contract with Kiewit Pacific Company to construct the Portland Aerial Tram project (Ordinance introduced by Mayor Potter)</p> <p><b>Motion to accept amended Ordinance:</b> Moved by Commissioner Leonard and seconded by Commissioner Adams. (Y-5)</p> <p>(Y-5)</p>	<p><b>179223</b> AS AMENDED</p>
<p><b>*401</b> Authorize contract with Doppelmayr CTEC, Inc. to fabricate, deliver and install aerial tram equipment for the Portland Aerial Tram project (Ordinance introduced by Mayor Potter)</p> <p><b>Motion to accept amended Ordinance:</b> Moved by Commissioner Leonard and seconded by Commissioner Adams. (Y-5)</p> <p>(Y-5)</p>	<p><b>179224</b> AS AMENDED</p>

At 3:32 p.m., Council recessed.





**April 27, 2005**  
**Closed Caption File of Portland City Council Meeting**

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

Key: \*\*\*\*\* means unidentified speaker.

**APRIL 27, 2005      9:30 AM**

**Potter:** Before we begin the official part of the city council, i'd like to ask a question. It's a question we've been asking at city council since january, and that is how are the children? The reason we're asking that is it's a common greeting used in many areas around the world, particularly some of the tribes in africa, where instead of saying, how are you, they ask, how are the children, because they know that the children are the barometer for a society. And so I ask that question, and we have determined that the best way to answer that is to bring in experts to talk to us. And it just so happens all these experts are young people. And so today we have some folks to speak with us, and i'd like them to come forward. While they're coming up, i'll tell you a little bit, as she likes to be called, cleo. She's a student at st. Andrew's nativity school in northeast Portland, member of the volleyball and basketball teams and sings in the choir. Cleo has been on the honor roll and has a perfect attendance since the second grade. She's an active member of the student council and received the duncan campbell award in the fifth grade. At the blazers boys and girls club, cleo volunteers with the torch club, a volunteer service group for members 11 to 13 and mentors younger members of the omsi boys and girls science club. In the fall, cleo will attend la salle catholic high school and plans to attend temple university in philadelphia upon graduation. She wants to study the german language and become an interpreter. Cleo, welcome this morning. Thank you for being here.

\*\*\*\*\*: Thank you.

**Potter:** You're an exceptional person.

\*\*\*\*\*: Thank you.

**Potter:** What would you like the city council and the rest of the fine adults to hear?

**Cleo Josey:** Hello, my name is cleo josey, and i'm an eighth grade student at st. Andrew nativity school. I'm also a member of the blazers boys and girls club. At the club, I volunteer with the torch club, which is a community service group for kids 11 to 13. Today I would like to address the educational gap between public and private school. I go to a public school -- I mean a private school, which is st. Andrew's nativity school, and I realize there is a gap between the two. There's material gap and educational gap between, and I would like to ask why there is. Because I have friends that go to public schools, and there's a difference between what i'm learning and what they're learning.

**Potter:** What do you think the differences are?

**Josey:** Well, in seventh grade I started studying algebra one, and I realize that they were just refreshing on division and their reading, and that kind of -- it made me feel -- it just didn't feel right, that they were learning less than I was learning.

**Potter:** Ok. As you know, cleo, the city of Portland isn't responsible legally for our schools, but we are responsible for our children.

\*\*\*\*\*: Uh-huh.

**Potter:** I think that's a very good question that all of us should ask ourselves. This morning we can't get into all of those things, but I think that every child has the right to a quality education, a

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right, not something granted through the legislative process. So I agree very much that we should have a quality educational process. And I really thank you for bringing that to our attention.

**Josey:** Thank you.

**Potter:** Did you want to say something else?

**Josey:** I have a closing statement.

**Potter:** Oh, a closing statement. I want you adults to pay attention here. [laughter]

**Josey:** Mayor Potter and city council, I thank you for your time and consideration towards this issue. Please do whatever you can to eliminate the educational gap. Thank you.

**Potter:** Thank you very much.

**Josey:** May I get up and go?

**Potter:** You can, or you can just sit here while we talk to the other two folks.

**Josey:** Ok, i'll sit here.

**Potter:** We have two folks from the children's theatre brigade, anthony foster and angela mcvicker. You know, we're having the brigade performance in city council chambers on thursday, may 5, between 5:00 and 7:00 p.m. All folks in the audience who want to see excellent theatre, please feel welcome to come. The company members include actors ages 7 to 15 from across the Portland metropolitan area, including students from private and public schools, receiving professional training since auditioning in september and have adapted the stories they've selected. So with that, why don't we go ahead, introduce yourself, and something about yourself, and something you would like us to know as adults, which one would like to start. Push the microphone toward you there.

**Anthony Foster:** We kind of have a joint statement, if that's ok.

**Potter:** Ok. Could you please state your name?

**Foster:** Sure. My name is anthony foster.

**Evangel McVicar:** My name is evangel mcvicker.

**Foster:** I'm a stage manager and i've been a performer in the Portland theatre brigade for four years now. Portland theatre brigade is a part of the Portland parks and recreation theatre program that is being cut at the end of this year. It is in its sixth year and currently made up of 28 professional young actors and represent all neighborhoods around Portland. We have been training since september, and are touring schools for free -- touring at schools for free around Portland through june. Last year our efforts reached 6,000 youth. Our stories are adaptive, created, and performed by youth and represent cultures all over the world.

**McVicar:** For me, being a part of theatre brigade has given me such a sense of accomplishment. I believe a strong reason that i'm able to hang on to a stronger self-esteem is being in theatre.

**Foster:** Theatre brigade is not only important to us but is -- it is also important to the entire city of Portland and the entire world. It brings the arts to kids that might not otherwise be able to experience them and gives young people a voice in their community. At some schools we have visited, we have been the only school assembly throughout the entire year. That's not right.

**McVicar:** On behalf of Portland theatre brigade, I would like to let you know that we are very excited to participate in your prefirst thursday event on may 5. Programs and education for kids like me are being cut throughout the state.

**Foster:** We look forward to sharing our work with you. We want you to know that we will continue for many more years to come with or without funding from the Portland parks and recreation and the city of Portland. This is a part of Portland parks and recreation and it is being cut, but we have recently incorporated ourselves and we will continue with or without you and we would just like to invite you to be a part of that.

**Potter:** Thank you very much. I appreciate you folks coming here. You all did a great job. Did you have some more?

**\*\*\*\*\*:** No.

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**Potter:** No closing statements? [laughter]

**Foster:** Well, we could tell you that this is once in this year chance to perform for an adult audience. Normally we just perform for children. So it's very exciting for us. And we really want to thank you for having us.

**Potter:** We look forward to seeing you a week from thursday. Thank you very much. ¶¶

\*\*\*\*\*: Make way for the Portland theatre brigade, brigade, brigade: Make way for the Portland theatre brigade: We're the brigade with a point of view today, a play, a play, a play: Make way for the Portland theatre brigade, brigade, brigade:

\*\*\*\*\*: An industrial port in northwest Oregon on the willamette river, founded in 1845, it is now the largest city in Oregon, theatre, the writing and production of plays, affective material for the stage, a dramatic quality, dramatic character or effect. Brigade, a group of people with a characteristic in common, an organized or uniformed band of workers, a group of individuals organized for a specific purpose, to associate, to group together, so Portland theatre brigade is what you will experience today, what you will experience today is Portland theatre brigade:

\*\*\*\*\*: Make way for the Portland theatre brigade, brigade, brigade: [cheers and applause]

**Adams:** That was great.

**Potter:** Thank you. I want to advise the adults in the audience, there will be no extra charge for this.

**Foster:** We actually have brochures for this.

**Potter:** Good. Leave them for this lady here and she'll give them to us, Karla. Thank you very much.

\*\*\*\*\*: Raise your hand if you would like a brochure.

**Potter:** I love it. [gavel pounded] council will come to order. Karla, please call the roll. [roll call taken] [gavel pounded]

**Potter:** Karla, we have communications. I understand that the first three people wish to come up together. Paul king, barbara allen, and barbara steinfeld.

**Moore:** Right.

**Item 364, 365 & 366.**

**Potter:** Thank you for being here. You each have three minutes.

**Paul King:** Thank you. Thanks for having us. Good morning, mayor Potter, city commissioners. I'd like to personal thank each of you for your letter in support of echoes of discovery, Portland's only day-long free bicentennial commemoration of the lewis and clark expedition and the reopening celebration of the st. Johns bridge. The bay area base vertical dance company who performed on Portland's hilton tower for the hotel's opening, as well as seattle space needle, the new york stock exchange, el capitan in yosemite national park, and recently they performed on david letterman program, they'll perform twice on the structure of the st. Johns bridge. The afternoon performance will be part of a festival, the evening performance will be performed on the bridge with theatrical lighting, a fireworks display will conclude the festivities. This community event will take place in cathedral park under st. Johns bridge. The main stage will feature performers including the Oregon trail band, the confederated tribes of grand ronde will invite other tribes from all over the region to join them in a pow-wow and salmon bake. There will be four pavilions, including culinary arts, the humanities, kids, and tiffany & co., who was part of Portland's 1905 world's fair, which was also the centennial commemoration of the lewis and clark expedition. They're hosting an exhibit of governor atiyeh's collection of artifacts from the 1905 world's fair cure rated by chet orloff. Interactive participation for guests of all ages and background. Our focus is to also commemorate the other voices of the lewis and clark expedition, including york, william clark slave who was on the journey, ron craig, a Portland-based african american filmmaker whose documentary on york will be shown in the humanities pavilion. We will include the sierra club's exhibit "what's lost, what's left," featuring the flora and fauna lost since lewis and clark has been here. It will an

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opportunity to reflect on the historical significance of st. Johns. Our community partners for this event include tri-met, "the Oregonian," opb, tiffany & co., Portland parks and recreation, the confederated tribes of grand ronde, Oregon council for the humanities, lewis and clark bicentennial Oregon. I thank you very much for your time and generous support.

**Barbara Steinfeld:** I'm barbara steinfeld. I work with the portland Oregon visitors association. Cultural tourists, those who include any kind of cultural activity in their visit, are the ones who stay longer in a destination, spend more money, \$200 more per visit than regular tourists. They do more while they're here. They shop more. They also are skewed a little bit more in age, a little older, a little more highly educated. In other words, they're exactly the demographic of the tourists that we like to go after to generate room nights. The lewis and clark activities, everything that paul just explained, are exactly what this kind of visitor is looking for, everything that has to do with arts, culture, heritage and history. That's what the cultural tourist comes to do. So the pouring visitors association is supportive of this event. In fact, for the last four years we've been getting requests in our office asking what is Portland doing for lewis and clark? In addition to the exhibits that we're going to have, we really need a commemorative celebration, festival, event that's taking place in Portland for us to send our visitors to and to mark it. And we're looking forward to marketing it. We'll be putting it on our website and doing everything we can to support the marketing efforts to attract the visitors to town and generate the room nights. We're interested in supporting this event.

**Barbara Allen:** I'm barbara allen, the executive director of the lewis and clark bicentennial in Oregon. Thank you for having me here today. Many of you know my organization. We are a statewide planning commemorative and development group with a 30-member board of directors. Our honorary chair is governor kulongoski. My boss and our board president is senator betsy johnson. And we've been working for several years to develop what we call the signature sanctioned events for the bicentennial. I was pleased when I came on board a couple of years ago that our very last sanctioned event was paul king's and walter javie's event at cathedral park. I'm honored to be able to support this in any way I can, marketing it it, developing it statewide. We have over a dozen sanctioned events ranging all the way from pendleton to the coast, in astoria, to our signature event, which will occur this november. This event in september is really Portland's party. I have to -- I have to say. I'm honored to be a part of it. We have four events that kind of roll out in the Portland metropolitan area, one is "right now" occurring at the Portland art museum. Then the grand ronde tribe supporting, as well as our organizations, out at blue lake park in august. White birds event is mid-september. Finally the Oregon historical society exhibit beginning november 11 there at the museum. To focus on this event just a minute more, I know of every single event going on across the nation, and believe me there's nothing quite like this. This is, I hate to use the word unique, but we are, we're unique to the country. I thank you very much for your support of this. I very much appreciate it. Thank you. We look forward to seeing you all on september 17.

**Adams:** Thank you very much.

**Potter:** Thank you very much.

\*\*\*\*\*: I neglected to say -- [inaudible]

**Potter:** Thank you for your hard work to make this happen.

\*\*\*\*\*: It's our pleasure.

**Adams:** Appreciate it.

\*\*\*\*\*: Thanks for your support.

**Potter:** Karla, please read item number 367. Mr. Long, please state your name when you testify. You have three minutes.

**Item 367.**

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**Charles E. Long:** Yes. My name is Charles Long. To Mayor Potter and the fellow commissioners, less than 50 years after Lewis and Clark discovered Oregon in 1805, Mr. and Mrs. Failing stopped their covered wagon at a clearing known as Stumptown. They formed a fellowship of believers, destined to become one of the Northwest's most influential and socially progressive churches, First Baptist Church of Portland. Today observing a century and a half of ministry in the heart of downtown Portland. Towering above Southwest Taylor Street, catty-corner from Central Library, the imposing sandstone edifice with its huge bell tower and multiple spires guards the city like a sentinel as it watches the drama of a great metropolis unfold. Even more breathtaking is the Romanesque elaborately-designed sanctuary with its high-dome ceiling, plush burgundy carpeting, and stunningly ornate stained glass portrayals of the Last Supper and St. Paul preaching. Mr. Failing was chosen councilman at the first city council. He later was elected mayor. His son Henry was later also elected mayor of Portland twice. The only father/son mayorship in Portland history. Henry Failing became a wealthy businessman and later president of First National Bank. As mayor, historian Jewell Lansing notes he crafted budgets and made them meet the city's needs. During another administration, First Baptist Church played a major role in her effort to stamp out crime. The city club wrote a stinging report against police collusion and criminal activity recommending that the community must keep an eagle eye on the police bureau and demand both transparency and accountability. The church's concern for the community has continued down the years. Earlier this month the church hosted the founding editor of "Sojourner's" magazine. He spoke about his book "God's Politics" to a standing-room audience. Today one of the church's most influential members is the honorable Mark O. Hatfield, Oregon's most successful political leader. A strong advocate for peace with justice, he and Senator Wayne Morris were the only two senators to -- to oppose the ill-fated Gulf of Tonkin, Vietnam Resolution, the most tragic decision in U.S. history, a resolution, by the way, based on a lie like the preemptive war against Iraq.

**Potter:** Mr. Long, you have to conclude. Your time is up.

**Long:** I haven't finished.

**Potter:** Well, your time is up, sir. We allow people three minutes. It's a courtesy of city council. Thank you. Karla, please read item 368. Good morning, sir.

**Item 368.**

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

**Potter:** Please state your name for the record and you have three minutes.

**Carlos Jermaine Richard:** Carlos Jermaine Richard. To the honorable mayor and to the distinguished commissioners, thank you for allowing us to be here today. As we stated last time, we'll come from time to time just to show our support for city council and join you all here with prayer to let you know that there is someone out there who's not only praying for you, but also concerned about you as individuals because of the job you face in meeting the needs of the citizens here in Portland. With that, whoever wants to join us in prayer, we ask you to bow your head and join us now. Father, God, we thank you for this day, God, the day that you have made. Thank you for this mayor, thank you, God, for these commissioners who have been elected, God, to serve in these positions. Be with them, God, in their everyday work as they face, God, decisions, tough decisions, that they have to make, God, to make this city work, to make this city efficient and to make this city effective. Give them, God, the level of discernment that they need, God, to make these decisions. Father, we thank you for these men. Give them peace, lead them, guide them, protect them, their staff and their families. In Jesus' name we pray, Amen. Thank you, Mayor.

**Adams:** Thank you.

**Potter:** We'll now take a vote on the consent agenda. Commissioners, any item to pull off the consent agenda? Is there anyone in the audience who wishes to pull any other item off the consent agenda? Karla, please call the roll.

**Adams:** Aye. **Leonard:** Aye. **Saltzman:** Aye. **Sten:** Aye.

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**Potter:** Aye. [gavel pounded] Karla, please read item 369. Commissioner Saltzman.

**Item 369.**

**Saltzman:** Thank you, mr. Mayor, and members of the council. In Portland, we pride ourselves on having our city planned and built to reflect the best values of our citizens. One of these values is to design and develop a built environment that works in concert with our natural environment and also protects human health. City council took a big step to address the environmental impacts of urban development by enacting its first green building policy in 2001. It established a requirement that city facilities and projects financed by the Portland development commission achieve the leadership and energy and environmental design, or leed, certification process. This rating system is a national system developed by the u.s. Green building council. It's a points system that requires such activities as the use of recycled materials, managing stormwater on site, enhancing water quality, reducing energy use, incorporating renewable energy and other criteria. This policy, and subsequent implementation by our local development community, has made Portland a national leader in green building, currently boasting the most leed-certified buildings in the nation at 49. Our leadership in green building has provided new opportunities also for economic development in the sustainable industry sector. As you you will hear in some of the testimony today, sustainable development has led to new businesses and the expansion of existing facilities here in Portland. Our leadership has also attracted business relocation interests from outside the region and the country. We have a company now, a japanese company, m.s.k., which manufactures solar electric cells, which is looking at Portland for a location for a sales office and hopefully ultimately a solar electric cell manufacturing facility thanks to the efforts of mayor Potter. Our policies are now becoming the standard in our cities across the united states. The cities of scottsdale, arizona, and vancouver, british columbia, have leed goal certification requirements for public projects. The city of seattle, san francisco, articleton, massachusetts, atlanta, georgia, boulder, colorado, dallas, houston, kansas city, and many others have adopted the leed silver certification requirements for their public projects. So we're recognized as a leader nationally, but we need to update our policy, which is now four years old. The resolution before you will do exactly that by accomplishing the following -- it will require that all newly constructed city-owned facilities meet the leed gold standard. It directs the Portland development commission to adopt a policy to achieve the leed silver standard for all publicly-financed projects. It also calls for updating the city of Portland's affordable housing, green building, and threshold and voluntary guidelines it. Optimizes the building review process to encourage green buildings to -- actually to green buildings eligible to participate in the bureau of development services facility permitting process, which is a much smoother hand-holding way to get your building permitted through our process. And those are some of the things the resolution would direct to accomplish. And I believe these actions will not only solidify Portland's position as a leader, but also save the city much-needed general fund dollars in the operation and maintenance of our facilities. The resulting development will also lessen the impact on our aging infrastructure and protect major capital investments such as our combined sewer overflow big pipe projects. I'd like to thank the bureaus that developed in the -- that participated in the development of this policy. Rob bennett and terry miller from the office of sustainable development are here to give a brief presentation on the proposal and then I would like to ask the council to allow Portland development commission chair matt hennessy to testify here, and then to have two subsequent panels, one of bureau directors and then a panel of private sector stakeholders. Thank you. Turn it over to rob and terry.

**Rob Bennett, Office of Sustainable Development:** Good morning, mayor Potter, city commissioners. I want to walk quickly through some of the background to the policy and where we are today, and then turn it over to terry who will walk through the actual pieces of the implementation. As you may recall, back in 2001, in the winter 2001, you passed the city's first green building policy. Last year commissioner Saltzman asked us to take a look at the policy now

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four years old, to see what improvements the policy would need, gaps that may need to be filled, and look to implement a new policy or update the old one. So why an update? I'll just walk through these very quickly. One, the city's desire and need to be a leader in green building and walk the talk. As dan mentioned, other cities now in the last few years have eclipsed the standards set back in 2001. So for us to be a leader we need to address that through some changes to the policy. Market transformation has quickened dramatically in the last few years, helping bring up capacity and bring down cost. There's some policy gaps that we identified in reviewing the policy that this -- these recommendations address, things such as the city's portfolio of existing buildings and standards that are now -- now come out of the u.s. Green building council, facilitated permitting and additional staff training. Fourth, job creation. Dan mentioned that the city's becoming known as a center for sustainable economic development, and that this is as much a job creation, economic development strategy, as it is a conservation effort for the city's facilities. And finally, environmental protection. With all the efforts we still see watershed health and air quality and natural resources depletion continuing. So we need these policies to be strong and robust into the future if we're going to continue to address those issues. A few trends that are emerging in the last few years that also support an update to the policy. As commissioner Saltzman mentioned, the government -- governments around the -- both state local and federal around the u.s. are adopting green building policies at a pretty rapid clip. Most of them tied to the leed rating system. Consumer demand is growing tremendously, and I think you'll hear some of that in the testimony today. The private sector is a very strong implementer of leed, and we're seeing that here in Portland. We have some of the most sophisticated developing company applying green building standards as standard practice in their developments. We're seeing local and regional university leadership, we're seeing leadership in all things, including affordable housing, which is, as you know, is very difficult, considering the cost, constraints, in affordable housing, including the enterprise foundation's announcement of a green building effort for affordable housing nationwide, so it's catching in that sector as well. Costs are coming down. Knowledge is going up. Product differentiation is up, and this is bringing the cost down, so that leed certification in green building generally is not more than a percent or two above first incremental costs. And this all translates into a lot of fast work. And off to a quick start here in Portland. Over 5 million square feet of commercial mixed-use projects are going through the leed system or greening up. Over 1300 housing units, including a wide variety of affordable housing units are greening up, which is good for their indoor air quality of the tenants, good for the utility bills for the tenants, and good for the c.d.c.'s who have to manage and operate these buildings because they're more durable. As commissioner Saltzman, we have 49 leed projects in the city. We have three policies adopted, including recently the county, Multnomah county adopted a green building policy. We're building leed into our development agreements, p.d.c. recently the south waterfront development agreement, and all projects there must be leed-certified and above. Additional resources in capacity is helping us do this work. So the timing is good to take a look at the policy and make improvements. I'll turn it over to terry right now who will walk us through some of the findings we found. I'll just state briefly that we did a lot of research looking at national trends, looking at national research, and then looked, talking to our stakeholders, both our city stakeholders and private sector stakeholders to make these recommendations.

**Terry Miller:** Thanks, rob. For city-owned new construction, we recommend acquiring leed gold certification with the following performance requirements. 75% c&d waste recycling. 30% beyond code for stormwater, energy and water. Additional commissioning and what's covered up there is eco roofs and energystar roofing. Research shows that leed gold certification, incremental costs to achieve it are actually less than leed silver. Experience shows that increment goes down with experience. The city of seattle, for example, has almost 20 leed registered projects. Their latest project is leed gold, \$185,000 under budget. By pulling out these performance requirements, we

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believe they align well with the city's current objective as expressed in other programs and policies.

They also will ensure that the project earns at least seven leed credits and qualifies for the tax credit. An example, 100,000-square-foot building would qualify for \$286,000 credit if it achieved leed gold. In the Portland building, the utility savings reaped from the 30% beyond code performance are \$200,000 annually for energy and water savings. In addition to mitigating 1.8 million pounds of co2. For major retrofits and tenant improvements owned by the city, we recommend the city require leed for existing buildings, silver level. Existing buildings is a new leed product that audits and makes incremental changes to the building over time. We also would like to require eco roofs and energystar roofing on all roof replacements for city-owned projects when practical. For interior tenants improvements, we recommend that leed-ci, leed commercial interior, silver, or the g/rated tenant improvement guide is required. Right now that guide, which I have here, a little tangible example, is the requirement as directed in the policy, and we recommend that leed-ci silver has a pilot project, a larger-scale pilot project. Finally, for tenant improvements, recommend requiring the green building operations and maintenance guidelines currently under development by the bureau of general services. We also recommend that the council support bureau of development services and office of sustainable development collaboration, entitled "project green build." we've identified working with ty kovatch, interim director at the bureau of development services and commissioner leonard's chief of staff, and other b.d.s. staff to develop a four-prong strategy to do this. First we recommend training of b.d.s. staff to increase the competency of green building at the development services center. Second, we recommend a workshop to identify code and process conflicts that may inhibit developers from implementing green building practices. Third, we recommend providing process management and designating a process manager for all public and private projects that are leed silver registered. And lastly, increase marketing between the bureaus to market these services. For publicly-funded private sector new construction, the Portland development commission, we recommend that new construction, commercial and mixed use, achieve leed silver. And that market affordable housing greater than three stories also achieve leed silver. This is where projects are -- where the total public subsidy is 10% or \$200,000 or greater. For rehabilitation projects, we recommend that commercial and mixed use achieve leed silver, as well as market rate and affordable housing projects under the same threshold, and that the market rate and affordable housing projects also implement the greening affordable housing guidelines, which we have here as well. We believe these recommendations will strengthen, refine, and increase the applicability of the policy. O.s.d. is currently working with other bureaus on a few policy-related projects, and we think this is an excellent opportunity to set the stage for future collaboration and break down the silos, as mayor Potter so eloquently putting it, while reiterating the city's goals and priorities. Thank you.

**Saltzman:** So unless there's any questions, we'd like to call up matt hennessee, the chair of the Portland development commission to speak about the p.d.c.'s role in promoting this new green building policy. Oh, and ann griffin, p.d.c.

**Matt Hennessee:** Good morning, mr. Mayor, mr. President, members of the city commission. I'm matt hennessee, chair of the Portland development commission. With me is ann griffin from the economic development department within the p.d.c. We'd like to speak against all of what -- no, i'm just -- [laughter]

**Saltzman:** Next panel. Ok. [laughter]

**Hennessee:** What i'd like to do, is if I could speak to some comments that have been prepared, and then be certainly available to answer any questions that you might have as well, if that's ok. Thank you for the opportunity, first of all, to speak to this resolution. By approving it you will help keep Portland at the forefront of the green revolution in america. The p.d.c. has been an intrinsic part of implementing the city's green building policy since the council adopted it four years ago, and we strongly support the comprehensive update of that policy that this resolution represents. We are in



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commissioner Saltzman's debt, really, for his leadership, and thank you, mr. Mayor, and other members of council in helping build Portland's reputation for environmental consciousness and its expertise in green building and sustainability. The city has become a green beacon for those dedicated as the u.n. Commission for development and environment put it, "to meeting the needs of the present without compromising the ability of future generations to meet their own needs." the candle power of that beacon was convincingly demonstrated last fall when the annual green build international conference sponsored by the green building council met here. It was a tribute to Portland's standing, first of all, that we were selected to host this emerging industry's biggest and most influential gathering, but the attendance record was quite impressive. The green build conference brought to Portland more than 8,000 architects, engineers, builders, suppliers, planners, consultants and others who play a big role in this industry, new industry. That was better than half again as many people as registered for the 2003 conference, and nearly double the number that attended the 2002 meeting. That gathering didn't put us on the map. We were already there. But it certainly burnished our green reputation. Make no mistake about it, we have the core of a significant new industry, and for the sake of our economic, as well as environmental well-being, we have to nurture it. The resolution you have before you will see to it by keeping us at the cutting edge of change in green building knowledge and practices. Frankly, we don't know how big this industry is or how much it could grow. Its outlines are still hard to define. Much of what we know is anecdotal. Portland state university professor david irvin, who conducted a survey of sustainability activities in the region last year, found that because sustainability is practiced at small and large scales, and through both private and publicly-supported efforts, it's hard to get a comprehensive picture of what's happening. Still professor irvin can concluded this region has few peers. The clearest and most convincing indicator is the sheer number of green buildings in Portland. They're popping up all over the place. We lead the nation with 48 new leed registered buildings, and there are many more on the drawing board. We are fifth in the nation in the number of leed accredited professionals, 214 of them hang out their shingles here in Portland. Professor irvin found. We have a critical mass of consultants here, particularly in energy efficiency, renewable energy, and other sustainable technologies. R.e.i.'s downtown store has qualified as the nation's first leed gold rated retail space, and gold is the next to highest rating on the leed scale. And then the south waterfront, where this city has embarked on one of the most ambitious development programs in its history, 75% of the total cumulative square footage of the buildings private developers put up in there will be leed-certified. Ohsu's new 16-story wellness center, they're on track to qualify for a platinum leed rating, the very pinnacle of green building for its many ecological, including eco terraces, bioswales, sun shades and photovoltaic panels and microturbines. Try all that. In the area of affordable housing -- please don't ask me to repeat that. In the area of affordable housing, which this resolution speaks to, and where p.d.c. plays a critical role, the landscape has changed dramatically since we issued our affordable housing guidelines. The demand for sustainability which five years ago some suppliers dismissed as a passing fad have gone mainstream. And those suppliers are scrambling now to catch up. Green certified interior paints and high energy efficiency windows, for example, have almost entirely displaced less environmentally-friendly -- environment-friendly products to reflect this new reality we're in the process of revising and updating our own green affordable guidelines. It's clear, as I said, the green building was gone mainstream, not only here in Portland, but in many other forward-thinking communities in the united states and around the world. Portland's green reputation holds the promise of attracting new businesses to Portland, creating new jobs for Portlanders. The sustainability technologies cluster, as you know, has been one of Portland's target industries, and the scent of progress is still in the air. For obvious reasons, I can't disclose any details, but a japanese-based solar products -- yeah, I love it -- don't you love it when we say that? I'm just about done, by the way. Solar manufacturer and hawaiian energy efficiency design company have cited

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our green building reputation for their interest in locating facilities here. We are also working with a local green roofing manufacturer on an expansion with its managed -- and its management believes could boost sales by over \$3 million in the next few years, and potentially lead to an expansion in its work force as well. I look forward to working with you, commissioner Saltzman, and to you, the members of the city commission, to do everything we can to make sure, as we update our guidelines and also pass the resolution in support of what you're passing on today. Thank you for the opportunity to speak. Again, ms. Griffin and I are available to you if you need us.

**Potter:** Thank you.

**Saltzman:** Next we'd like to call up ron bergman, the director of bureau of general services, and ty kovatch, the interim director of the bureau of developmental services.

\*\*\*\*\*: You're first.

**Ron Bergman:** Ron bergman, general services director. Mayor and council, general services supports the proposed resolution to step up our requirements. It will have some impacts on the city's financing for these new projects, but it will just be a slight hurdle that we'll have to achieve when we do that. But in the long run there will be paybacks for the reduced costs of operating the facilities and the energy consumption. So we, in the long run, we think it's going to be very good for the city. Probably the principal areas that will have immediate impact for us will be the tenant improvement projects that we do, as bureaus move within the existing structures that we have. Our intention really is to work very closely with the other parties and transition into these higher standards and work very closely with the other bureaus. So we look forward to doing that. I do want to point out that the issue of the green roof really fits with the work that we're doing now. We have on our work plan reroofing the Portland building at the upper floors and we're planning on doing a green roof there.

**Potter:** Good.

\*\*\*\*\*: Thank you.

**Ty Kovatch:** Ty kovatch interim director of bureau of developmental services. We're excited to be a part of project green build here. It's been a good process that we've been pleased to work with commissioner Saltzman's office and the office of sustainable development and we're incredibly proud to have a product that can make a contribution to this effort. We've had lots of conversations and I hope as the conversation continues we look at some other areas, like maybe some relief from s.d.c. fees for these types of projects that come through the system in a greater way so we have a little more holistic kind of package that we can offer to these buildings, because an investment like that is really a small amount of money in the grand scheme of where we're going. Also from the bureau of developmental services perspective, along with our style of management, process of permitting that we'd place on these buildings. We'd also like to help take the lead in some of the marketing of this stuff, because as the bureau of developmental services has had its own evolution over the past 2 1/2 years, one of the big components of that was sort of institutionalize ability to pat ourselves on the back when we're doing something good. I think that's a really big component to keeping Portland front and center on the map in green building, is celebrating the sections that we're having as these things come through the system. So I would just encourage, you know, support of the council continually on this effort, and thanks to commissioner Saltzman for leading this.

**Potter:** Thank you.

**Saltzman:** The next panel would be dennis wild, joe dealessandro and christine irvin.

**Kristine Ervin:** Kristine Ervin. Thank you so much. I'm so pleased to be here today. You know, I could validate and reiterate many of the comments that have been said, but I think i'll just focus on two points. And one is that i've reviewed the proposals and the resolutions. They're amazingly thorough, thoughtful, creative. I'm very, very impressed, addressing every part of the design, the planning, the construction, the permitting process, the codes. I think it's not only going to help the

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residents of Portland, but will go a long way to provide guidance for many, many other cities across the country. So first of all, second of all, I'd like to stress that, yes, the landscape has changed dramatically. Since 2001, when Portland did pass that path-breaking green building policy, you know, leed was frankly more theory than practice. There were a total of about a dozen projects that were certified. 75 that were in the pipeline. The registration pipeline. There was about 30 million square feet. There were a grand total of 150 people across the country that have attained professional accreditation. And now four years later the world has changed. We have hundreds of projects that are certified. 2,000 that are registered. 250 million square feet registered. And altogether, when you include federal agencies as well, there are probably 40 different jurisdictions across the country that have adopted leed, several including at the gold level, just in the last four months, for example, four states, four governors, have adopted leed. So that's very important. You know, the theory of market transformation is that when leaders like Portland take the plunge, all the learning that occurs bring down the learning curve for others, it brings the costs down, creates benefits, and then the mainstream industry starts entering. That is exactly what has happened. It really is hard to go to any mainstream trade publication or conference today and not see conversations, discussions and workshops about green and about leed. If you look at the American general contractors association, around the country and here, they see this as a benefit to their members, as a new way of doing business. The national association of realtors has even headquartered itself in a leed building and is training its people across the country. So now it's time, I think, to raise the bar, and that's exactly what you've got with this proposal. So I'd like to reiterate those things. And thank you so much for the leadership here at Portland. It's a great benefit to the country and around the world. Thank you.

**Potter:** Thank you.

**Joe d'Alessandro:** Mayor and members of the council, I'm the president of the Portland Oregon visitors association. It's my pleasure to testify also on the support of the green building policy. Every destination in the Portland looks at marketing itself in a unique way. We've chosen to market Portland in an authentic way based on its green practices and green traditions. Our tagline of "it's not easy being green" focuses and talks to the dedication that this community has, living in harmony with the environment, supporting policies and practices that make Portland a more green destination. We use that extensively in the way we attract conferences and conventions to Portland. Commissioner Saltzman talked about the economic impacts in a positive way of what this will do, both in relocating businesses and attracting conventions and tourists to Portland. It has been successful. Matt Hennessee talked about the green build conference, held at the nation's first leed-certified convention center, which is the Oregon convention center here in Portland. We're working aggressively with our hotel community to provide green policies inside the hotels so that when groups come here, we can sell them a whole green package about Portland, why coming here, not only is the building green, but the policies and services and the hotel community also are green. It really does give us a leg up on the fastest-growing trend in world conferences. It's estimated that last year green surrounded conferences brought about \$10 million in economic impact to this community. The more we become a leader and update our policies to do that, the more aggressively we'll be able to compete in this important trend in the future. Thank you. We're fully supportive of this policy.

**Adams:** Thanks.

**Dennis Wilde:** Dennis Wilde with a real estate developer located here in Portland. We have 17 leed-certified projects in the pipeline. We have two that have been approved by U.S. Green Building Council. The latest one being the Henry, which received leed gold. It was the third residential leed gold building in the country. So obviously we're supportive. We were here in 2001 to support the initiation of this effort, and we're here today to encourage you to continue and expand the -- what is offered and encouraged by the city through this policy. In our own business practices, we attempt

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to raise the bar on every project. And I see that you're doing the same thing with the -- with the upgrade of what's being required and encouraged. And I can tell you from our experience that it's been good business for us to pursue this strategy. Our leasing activity, our sales activity, have all increased as a result of our efforts to create a more environmentally friendly product. So obviously we see that doing good can also be good business. So I would definitely encourage to you proceed with this. I particularly like the -- your endorsement of expanding the process permitting to include leed-certified projects. I think that's one of the really fine programs offered by the city. It's unique among major cities. So i'm very excited about that.

**Potter:** Thank you.

**Adams:** Thank you.

**Saltzman:** Our last panel represents some of the representatives of companies and labor that are actually being trained in building the materials, manufacturing, and selling the stuff that actually go into green buildings, creating local jobs.

**Potter:** Thank you for being here. Please state your names when you testify.

**Jake Reid, Stormwater Management, Inc.:** Good morning. My name is Jake Reid. Thank you for allowing me to provide input on this issue. I'm employed by a local manufacturer that employs 90 people. We design and produce stormwater treatment products for postconstruction water quality control. We're also a pioneer in stormwater filtration, the most effective passive treatment option on the market today. We have received over 580 government agency approvals and won several awards for our sustainable practices in creative product applications. It is our policy to support environmental stewardship and donate 5% of after-tax profits to environmental nonprofit organizations. I'm here to urge your support for the resolution before you today. Stormwater management supports the proposed change to the city of Portland and Portland development commission's green building policy. These changes enhance sustainable building practices on city-owned or p.d.c.-financed building and infrastructure projects. Since our founder in 1985, our markets have expanded beyond the Pacific Northwest as cities around the nation adopt strict environmental regulation as part of a strengthening sustainable development movement. This policy change will reestablish Portland as a leader in green building practices and sustainability. It will encourage our municipalities to strengthen their codes and adopt similarly progressive policies, resulting in an ever-increasing environmental awareness throughout the country. Our success proves the private sector can respond to new government regulations, through encouraging local participation of materials manufacturers, vendors and designers to meet the proposed policy, the city will expand the local sustainability industry and strengthen its intellectual capital. Working in industry controlled by government regulation, we understand our livelihood depends on progressive policies like this one. As we continue to grow at our current rate with 23 hires in 2004, and 30 planned for 2005, we're supportive and thankful for resolutions like the updated green building policy. It is vital the city adopt a system to measure the best practices recommended by the policy update to ensure the program meets its goals. This system should evaluate the effectiveness of products or design solutions through rigorous testing and published performance standards. Without this type of check, the intent of this sound policy could be diluted by subpar vendors and unreliable design solutions. Relying on the U.S. Green Building Council's LEED standards may not be enough. Credit 6.2 of the green building rating system for new construction designates stormwater treatment, but is vague about how it must meet the performance requirements. A letter from a manufacturer stating its products meet requirements could be enough company compliance. This may be common among other LEED credits representing a much larger problem that could jeopardize an otherwise strong policy. As the leader in our industry, a strong contributor to the local economy, a significant donor to environmental causes, and a significant donor to environmental causes, we support the strength in the green building policy proposed today. We look forward to helping

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projects meet the leed certification and contributing to the environmental welfare of our region.

Thank you for your time.

**Potter:** Thank you.

**Abigail Mages, Environmental Building Supplies:** Hello. My name is abby mages. I'm the owner with my husband, marcus, of a small business, environmental building supplies. We opened our first store in 1993, 12 years ago, in a very small location in the pearl district, of which has changed dramatically since we were there. We're now in our third location in the inner southeast area. We have a large retail showroom, warehouse, offices. We've grown to 12 employees in Portland, and we have a satellite store in bend as well with three employees. Marcus' background in energy efficient construction and solar technology led to the concept of environmental building supplies very cutting edge at the time, and is really, really mainstream now. We sell green building materials, primarily focusing on interior finishes, and most recently we are a trade ally with the energy trust, and we install and sell complete photovoltaic systems. The city of Portland has been supportive and established itself for its green building policies, and supplies have grown alongside that. We've had particular support in the last few years from the active and outreaching office of sustainable development. Their build it green tour has been hugely successful with homeowners and contractors in Portland, selling out -- just people are very enthusiastic about that. The construction industry is very conservative, money driven and bound by habit. And from a person selling things in the store every day, really feeling like i'm on the ground floor, I feel that way every day. And important environmental policy changes are needed, and those changes brought about in the public sector will directly affect the private sector. It gives credibility to green building concepts and supports local businesses like ours. And certainly this is becoming very, very clear. The success of environmental building supplies is good for the local economy. It's good for the reputation of Portland. We do have a national reputation for a store like ours. And the refinement and improvement of Portland's green building policy raises the bar to where it should be, and puts the necessary energy behind difficult slow-moving changes, which seem to be really picking up speed. And I agree with what's been said over and over again. It puts Portland in a strong leadership role. Thanks.

**Saltzman:** Thank you.

**Ken Fry:** Mayor Potter, commissioners, my name is ken frye. I'm the director for the ibew electrical training center on northeast airport way. Some of you have had the opportunity to visit our facility. I think you would agree with me that it's one of the finest electrical centers in the country. We haven't ignored the changes in our industry, and we have looked at the -- at solar training as a vital part of our training. We've actually taken the lead in training nationally right here in Portland, Oregon. We currently train about 400 electrical apprentices and over 3,000 journeymen in northern Oregon and southwest Washington. The apprentices go through a five-year apprenticeship program to attain the journey level status, and we also provide a lot of journeyman upgrade classes, and included solar training as one of those classes. To date we've trained over 240 journeyman electricians in solar installation. So we're well prepared to handle the projects these people are talking about. On our own training center, starting in the year 2003, we put a solar array on the roof of our training center, used it as a training environment, and then in 2004 added two more arrays. We continue to use those as training environment for our classes, and will continue to do so in the future. The installations have become much more efficient, the costs have come down, and as a result of the continued interest this solar installations we're now going to be including the solar training as a regular part of our apprenticeship curriculum. So just wanted to reinforce the notion that we see this as a vital part of our future and we will continue to do what we can to train the people that are going to be making these installations. Thank you.

**Saltzman:** Thank you.

**Potter:** Thank you.

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**Saltzman:** That completes our invited testimony.

**Potter:** Karla, are there people signed up to testify?

**Moore:** Yes. We have a person, ralph dinola. That's all who signed up.

**Potter:** Thank you for being here. State your name when you testify. You have three minutes.

**Ralph DiNola:** Thank you, mayor, and commissioners. My name is ralph dinola, with green building services. We're a green building consulting firm here located here in Portland. We formed our -- our firm five years ago. This was in the midst of the launch of leed and green building in Portland. We've seen tremendous growth in our business and demand for our services. We've expanded the scope of our practice and our staff to account for that and handle that command. In the past -- demand. In four years we've gone from four staff to 13 now. And in the past year our revenues and sales are have more than doubled. Our firm is one of five consulting teams in the u.s. On contract with the u.s. Green building council to review leed certification. We have four members of -- four of our staff members are faculty members for the u.s. Green building council. So our work takes us around the u.s. What we find is that Portland is seen as -- I like the term -- as a green beacon throughout the country. Portland's reputation supports our business, and it brings us new work throughout the country. And even -- even internationally, into canada and abroad. Leed for new construction has been the mainstay of our work, and we're currently working on over 30 new construction projects, most of which are in Portland and the surrounding region. We've got 10 leed-certified projects under our belt, and a number of projects are about to be certified. We're finding that the cost of 0% to 2% of construction costs for leed new construction is consistent with the work we're doing. So much within reason of what we're trying to do. In november of 2004, we assisted in the certification of the Oregon convention center. One of the first 12 buildings to be leed for existing buildings certified and the first convention center to be leed for existing buildings certified. I believe this new standard will provide the greatest opportunity for leadership and savings in building energy and water use in the city. And while leed for new construction is definitely a standard that's going to provide a leadership opportunity for the city, I believe that implementing leed for existing buildings on your facilities is going to have the greatest impact. And so i'm glad to see that it's part of the green building policy. There's really a gold mine of savings in the existing buildings that you have, and you operate. So to conclude, I would just like to support the advancement and continuance of the green building policy. And thank you for your leadership.

**Potter:** Thank you.

**Adams:** Thanks.

**Moore:** That's all.

**Potter:** Is that it?

**Moore:** Uh-huh.

**Potter:** Does council have any questions? Karla, please call the roll.

**Adams:** Well, to the greenest city commissioner, the greenest local public safety official in the united states, commissioner dan Saltzman, I say congratulations and good work. I love this especially because it's not regulatory. It provides incentives and rewards for people doing a good -- a good thing. It expands a really good reform promoted by commissioner leonard within the bureau of development services, and it builds on Portland's reputation and reality as a green and sustainable city, and i'm happy and enthusiastic vote yes.

**Leonard:** Aye.

**Saltzman:** Well, i'm pleased that we're taking the step forward and continuing to play a role in the vanguard of leading other cities and how we can do green construction practices and create jobs and do right by our environment. And I wanted to just echo one subtly here. The p.d.c., under matt hennessee's leadership, the p.d.c. Commission will be adopting a corollary policy to what we're

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adopted today. I believe they're going to do that in one of their may meetings, so that will make sure that new p.d.c. promises are held to this leed certification. Aye.

**Sten:** It's pretty exciting. I think it does define our role. I particularly want to thanks commissioner Saltzman. Several years ago we said we want to ratchet this up, step-by-step, year as year, as we show you can to it, new industry and transformation. It's easy to say, but hard to do. I also want to compliment the staff that have moved this along. One last comment I want to make is that as we work on economic development strategies, I think one of the hardest things to do in this day and age is figure out what you can export. You can't have a successful economy unless you export something and import money. What we're doing here with the team that's mentioned their business is exporting expertise and construction and architecture, all of these issues. So it's also a very green export that bodies well for, if we can continue to grow this. Terrific work. It's a distinct pleasure to listen to this presentation today and vote aye.

**Potter:** These are the kind of things that I think bring our city together, because it's such an important area. And I want to thank susan anderson and all those good folks at the office of sustainable development. They're an entrepreneurial group, and I think that putting together this package for us was a great public service, and I want to thank you folks. And I want to thank commissioner Saltzman, who has been leading this effort, and surgical he will lead it into the future as well. I think our city is much better off for his leadership, and I appreciate all the hard work of the businesses that have started this when it wasn't always acceptable to other businesses, and I want to thank them for that as well. So I heartily vote aye. [gavel pounded] Karla, please read the next item. Commissioner adams.

**Item 370.**

**Adams:** Because we're running over and we are going to bump up against lunch, commissioner Saltzman and myself are going to waive our opening comments so we can have folks that have arrived here to testify an opportunity to do before we break for lunch, and we'll save our opening comments as closing comments. There are a couple of people that we've invited to testify first. Rob mawson, jonuth colon montesi and patrick donaldson, if you'd please come up to the council. Try to keep your comments to three minutes, we'd be very grateful.

**Rob Mawson:** Thank you. I will be brief, I hope. Rob mawson from the alliance of Portland neighborhood business associations. I'm here in support of the proposal. And I want to just present something of a context here. You just heard about the need to grow architecture firms and professional services firms, and every economic development strategy that this city has produced in the last decade has focused on the creative industries and professional services as being a critical industry. I'm in that industry in my real life. The business income tax -- or business license fee is in a real sense the equivalent financially of moving to lake oswego or moving to unincorporated Washington county. And there is a point at which it becomes a rational business decision, on a business person's part to say, you know, I can live in Portland, but I don't have to pay the taxes. And it is -- it may not be what should happen, but it is what does happen. And if you look at how the creative service industry has grown, you'll see that the growth is in lake oswego, it's in the suburbs, it's not -- certainly not in the core. The affordability, affordability to live in the city is a big issue. Affordability to do business in the city is also a big issue. We're not talking about big corporations that send their money to texas or to arizona or delaware, any of the other 49 states. We're talking about small businesses, one, two, five people, our business is four people, and it is the backbone of what is growing our job base in the city. It is in the city's best interest to invest in economic development and invest in small job growth in the city. Our budget process, and I suspect you probably realize this now, if you didn't before, our budget -- our revenue streams are based on a successful business community. Not only that, our reputation is based on a successful business community. Our reputation is based on strong public/private partnerships. And we're blessed in the city by having a business community that is generally liberal in perspective, and so

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when it comes to issues like education and the environment and issues that the community feels strongly about, the business community tends to step up and work collaboratively with the city in moving these goals forward. Is this the only action? No. Is this the best action? Maybe, maybe not. But it's the only action on the table right now. And he would challenge you, that if you do not think this is a good idea -- I think it is -- if you think it's not a good idea, then I ask you what your solution is, because I'll tell you that apnba, like herding 39 cats, voted unanimously for this. I can't recall the last time that apnba voted unanimously for anything. So I think it sends a message about where the business community is, and particularly the small business community. Thank you very much.

**Adams:** Thank you.

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

**Potter:** Yes.

**Sten:** I'm curious, what's your sense of how much money you have to make to benefit from this and is that the focus? I'm trying to get at your sense of where should we spend our money. I'm still thinking this through, so --

**Mawson:** In terms of -- I guess I'm not understanding the question.

**Sten:** Well, just I mean -- did they meet to talk about where this money ends up?

**Adams:** That's part of my opening remarks. I'm happy to do that now or for the sake of time I was going to do that at the end.

**Sten:** You cannot have a discussion with --

**Adams:** I'm happy to have it now.

**Sten:** Did they talk about that? That's my question.

**Mawson:** As far as where the money comes from? My understanding of the proposal is that, first of all, it doesn't kick in unless the revenue projections grow from what they are now. So if there isn't growth, then there's no impact.

**Sten:** I understand that. My question really is -- I mean, I'm going to frame a question to the group that I want some feedback on, that if you want to help small business and want to spend \$4 million to do it, I want to make sure that you're arguing on the record to the council over the next four or five years that this is how you want to spend the \$4 million to help small business. Have you looked at how much will actually go to small business.

**\*\*\*\*\*:** Oh, ok.

**Adams:** 62% of those people that --

**Mawson:** I'd be glad to answer the question.

**Adams:** Then I feel I need to do my opening remarks, then.

**Sten:** I'm trying to understand if they understood where the money goes when they voted on that. That was my question.

**Mawson:** I'll speak for apnba I know the statistics. It works out to about 10% of the business community. You're not talking about sophisticated business enterprises. You're not talking about leveraged corporations. You're talking about individuals, who have got an idea, they went out and started a business. And of that 10%, I would venture to say that most of them are under 10 people. And these are the backbone of what we're looking for in terms of growing our economy. Again --

**Sten:** Did you not understand the question? The question was, did look at a chart that shows who will actually get this money? The reason I'm asking it, again, not to be combative. I want to make sure there's a very hard political push coming from you and your members on me to support this.

**\*\*\*\*\*:** Uh-huh.

**Sten:** I'm listening. If I were to support this, I want to be crystal-clear, this is a big expenditure, and going to come at the cost of our expenditures down the road. By my math, and if you make \$70,000 a year or less, you will get no benefit from this proposal. At \$85,000 a year, post-tax, you will get \$98. At \$100,000 a year, post-tax, assuming general federal rates, you'll get \$249. Above



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\$125,000, you will get \$509. So I want to make sure what your businesses are advocating for, that's what you want for \$4 million. Because it's \$4 million that's not going to go to anybody who makes under \$70,000 a year. Was that discussed last night, and is that understood and is that part of what you want to do?

**Mawson:** I can't -- it was not discussed in the large group. I think speaking on my own perspective, we understood that. The reality of tax policy is that, you know, 4 million sounds like a big chunk, you spread that over 60,000 or 40,000 businesses, and inherently the amount to the individual is relatively small. I will also tell you that a large part of this is the symbolic value, and the fact that you are looking at an ever-growing cost of doing business. At the same time that the city has been looking at flatlining its budget, we're looking at increased b.d.s. fees, increased water fees, we're looking at --

**Sten:** I'm not asking you to extend your time, i'm asking --

**Mawson:** We understand that this is not going to be a windfall. What we understand --

**Sten:** Rob, i'm sorry. I can't give everybody 10 extra minutes. The question was, did you actually discuss where the money goes, and the answer was no.

**Mawson:** Right.

**Adams:** Well, commissioner Sten, i'm going to interject. We sent out to this entire group, whether it was discussed at the meeting last night, we sent out to the entire group the analysis that was done by the bureau of licenses in terms of the types of firms, the size of firms, and a variety -- and the industry sector folks that do benefit and don't benefit from this. So that was all sent out multiple times by my office, passed out by myself and my staff at this meeting, and at previous meetings all over the city. 62% of the people that will benefit from this employ 50 employees or less. There are many statistics that are available that one can draw a variety of different conclusions. Because federal law doesn't allow us to discriminate among industry sectors, we are limited in what we're allowed to do. We can do across-the-board cuts, we can raise owner's compensations. There are other tools out there as well. But we've been venting this and sending information out and meeting with individual business districts and business owners for about two months.

**Sten:** Again, i'm not -- I just want to be clear, i'm not doubting that. I've read all the information and i've -- in talking with constituents, I think there's a sense that this is going to help small struggling businesses. If you were to -- if were to define a small struggling business, which is arbitrary, as a business that's making and profiting less than \$70,000 a year to their owner, then they will get zero from this. Half the money will go to businesses that make well over a million dollars a year. And so if small business is arguing this to help themselves, then they're arguing that the symbolism is what they need. I want to make sure that's the argument that's coming to me, because it's what's coming to my emails.

**Adams:** I would argue it's not just symbolism. The other choice is across the board cuts, in which case small business would get even less. There are limitations to what we can do to address the disparity between the taxes that are here in the city of Portland and that do not exist outside the region. I'm happy to go into greater detail as part of my general introduction if you want.

**Sten:** Again, I just want to make sure the people that are testifying to me are aware that if you're arguing for small business that's under \$70,000 is zero under this proposal. There's lots of things the city could do with \$4 million to help businesses that make less than \$70,000. Maybe that's the right approach. I want to make sure that you're arguing to me that sending a symbol to business is one thing. There's lots of good arguments on both sides of this. I'm not trying to shape the argument one way or another. I have yet to have anybody in an email they sent me recognize -- they all emphasize small business. Every email i've gotten has emphasized small business. My estimation of small business that's struggling probably makes less than \$70,000. I've yet to have anybody knowledge explicitly that they will get zero dollars.

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**Adams:** Let's be clear. This is the taxes on net income on transactions within the city. So you have to have a net income in order for the tax to kick in. That's one thing.

**Sten:** You have to have a net income of over \$70,000 to get a nickel off of this.

**Adams:** Net income over \$57,500 for this to kick in.

**Sten:** That's incorrect. That's why I want to make sure the numbers are right, because you can only deduct your compensation that --

**Adams:** At the end of the conversation, we'll have licenses come up. We've had folks waiting since noon, we can have the discussion after -- i'm sorry, since 10:00. I'm happy and look forward to the discussion afterwards, but for the sake of their time I want to give them a chance to speak.

**Jonuth Colon Montesi:** Good morning, mayor Potter and commissioners. I'm one of the business development coordinators for the hispanic metropolitan chamber. Gale castillo, its executive, was not able to attend. We seek support and vote in favor of this ordinance. It is the consensus of the hispanic metropolitan chamber to support city commissioner sam adams' proposal. Small business, as we know, play a crucial role in the economic future of our city. This will provide a catalyst for growth, job creation and stimulus to the city's economic base. Mr. Sten, when we a lot our community, with we have multigenerational investments represented by one owner. There's usually family-owned businesses, with five, six members of that family incomes going to come from that particular individual, because they usually are the ones who can draw. We have huge growth in the service industry. We have huge growth in the construction industry. And a couple others. And this is seen as something that's very viable for those -- too those particular industries where we're seeing our particular constituencies in projected growth, as the work force continues to grow and as those industries continue to grow.

**Adams:** Thanks.

**Patrick Donaldson:** Mayor Potter, members of the commission. Good morning. I'm patrick donaldson representing today the hollywood boosters in northeast Portland, established in 1934. We currently have approximately 540 businesses within northeast Portland. Commissioner Sten made a comment about what is a small business? I'm here as a -- I think a microbusiness. There are three of us in our small professional services firm in the hollywood district. I've been a small business person, starting out of my home in the beaumont/wilshire neighborhood, starting almost 30 years ago. I think Portland always has been, continues to be today, and will be tomorrow, a great place to be in business. The city that works doesn't just work for you, but also works for us. The business income tax has been a pebble in the shoe of all of us. Micro, or small, or large business, for the number of years it's been in existence, even the consolidation didn't solve the basic underlying problems. Some of the questions asked here today will continue to be asked. What you will see today is the engagement of the small business community in this discussion. Certainly we as business people, all throughout the district, whether it be apnpa, feel this new wind blowing through the city. There's a possibility sense about things in the past are exactly that, and that we're looking forward to sort of these positive things. The commissioner mentioned the issue of symbolism. The hard political reality for us is the fact that we're looking for symbolic gestures as well as measurable tangible things that commissioner adams has talked about to demonstrate that the \$40 million that small businesses contribute to the bottom line in this city ultimately is acknowledged and recognized in the public policy deliberations that you make and the competitive forces that bring to bear in this chamber as you deal with the budget. But the hollywood boosters supports this proposal, because we believe not only symbolically, but measurably, it starts addressing the fundamental measures about does the city that works understand what small business is struggling with day in and day out. And i'm anxious to see materials it appears that you have developed within your office that helps all of us understand these divisions that you talk about in terms of 70,000 versus 57, people making over a million dollars, all of those things. This city has not, and continues to not, previously had a conversation about this. We're looking forward to -- for

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an affirmative vote from this commission at some point in time that demonstrates to us that 40,000 small business that you in fact are in partnership with us to increase jobs and have economic vitality. The hollywood boosters supports this piece of legislation.

**Adams:** Thank you. If we could have now ethan and tim burner and john woody.

**Ethan Dunam, Pulse Business Systems/SBAC:** Ethan dunam, northeast Portland. I'm also chair of the small business advisory council. We also voted unanimously for this ordinance change, and were given the numbers, and viewed them in some great detail as we've been working on this for over two years. I'd like to mention two things that i'd like you to all think about. One is regardless of the outcome, in the business community as a whole, small business community, this tax is perceived to be unfair. What we're talking about, the owners compensation, is not paid, emphasize not paid, by any large business that's publicly held. They do not pay this portion of the tax. So it's perceived as unfair. My small business has two owners. We each draw salary over \$57,000. So the numbers that you give us, you need to double, because we have two owners. You have three owners, you triple it. You have four owners, you quadruple it. So all of a sudden you have five partners in a small professional firm, and it gets -- we sit around the table and look at this and say, this is \$2,000, \$3,000, \$4,000, we wouldn't have to pay if our office was down at kruse way. Our partners down the hall who have 30 partners, they don't pay it. It's a business conversation. The other thing i'll mention is that this is a housecleaning measure. We want you to think of this, too. This tax was passed in the 1970's. In 1970 \$50,000 was a lot of money. In 2005, it isn't a lot of money. The other thing i'll mention, and I know, mayor Potter, you've had a small business, at the end of the year when you pay your taxes, the \$50,000 income that you get, that's not your salary. You can't take all that out. You got to leave some of it in there to pay next month's payroll, to pay the health insurance due on the first of the month, to pay those bills. It isn't \$50,000 in income. In many cases a good accountant, which I used to be, will tell you take a third of that. That's really your salary in order to be prudent. So let's be clear about that, number two. So \$57,000, we figure it takes \$150,000 of income in order to give an owner \$57,000. You need to think about those two numbers, too. Thank you very much.

**Adams:** Thank you.

**Potter:** Thank you.

**John Witty:** I'm john witty, the owner of gray bear construction, a firm that's been in the north/northeast Portland for 20 years. We have gone through a lot of ups and downs in that area, as everybody would know. I am at a crossroads as far as my business, whether to take my business and move it outside the city area, due to the fact of the tax structure. We have had as many as 45 employees, so that our dollars incrementally go up. We are now -- we've downsized because of the recession and the things that have happened. We're right now about seven employees. But i'm also a member of the Oregon native american chamber of commerce, which I cofounded, and i'm really - - i've got their endorsement to -- because we have a lot of businesses in the area, and we really want to stay in the area, but we do need some help. I think this proposal will really help us a lot. And we're looking forward to seeing some movement. I believe that as far as this group of individuals sitting in front of us, they can make a change that's really going to benefit small businesses so we can actually bring more people to the Portland area and more businesses that -- that's my views. And I appreciate the time. Thank you.

**Adams:** Thank you.

**Tim Brunner:** Good morning. Thank you for having me, first of all, mayor Potter, and city commissioners. My name is tim brunner, the president of the east Portland chamber of commerce, which is representing over 140 businesses in east Portland and growing each week. Additionally, i'm an architect, an owner of a business called access design group, architecture and planning. We're a full-service architecture firm currently employing eight employees and growing. Unfortunately not each week, but we're growing. Been a resident of east county for approximately

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34 years. Yes, that is my entire life. Now as a young business owner, and also a commercial property owner in east Portland, my interests in improving the business environment in Portland is of utmost importance. The proposed business tax revision is a step toward Portland opening the doors for business. As president of east Portland chamber of commerce, I hear people discuss the city of Portland taxes. Of course, it's usually complaining about taxes. As a property owner, leasing -- that's trying to lease property to small businesses, i'm trying to lure tenants from outlying areas, competing areas, suburban areas, into town. And i've had actually several situations where i've had difficulty doing that, because the people specifically say the city of Portland taxes were too high. This is a little frustrating, because i've just invested over a million dollars in property and -- in east Portland, and wanting to make that work. So it's a frustrating thing for me when that is one of the reasons that possible tenants state. Commissioner adams' proposal is an important step toward changing the business environment of Portland in a positive way. This proposal says that the city of Portland is open for business. The city of Portland supports business, particularly small to medium-size businesses. Anything that I believe the city commissioners and the mayor can do to transform the business climate in Portland, to create a positive outlook, is essential at this time. East Portland chamber of commerce, as well as myself, completely support this proposal, and I urge you, the mayor and the city commissioners, to support this as well. Thank you very much.

**Sten:** I have a question. I just want to be clear. I understand commissioner adams didn't have a chance to frame this, and that was his choice. It would be a real mistake to hear what i'm saying as a combative way. As I understand, this is a hearing in search of a third vote. I represent one of those possibilities. My sense is that the argument has not yet been made for this in a broad enough context. That's why i'm looking at the sbac. If for me, if we're going to spend \$4 million, it's got to be made in that context. I want you to give me a sense to understand, because I think your arguments were compelling in terms of some of the issues. I guess what i'm really asking is, my fear on this, I want to be much more clear, is that two things happen. One, there's virtually no money going to struggling businesses, regardless of the message that's sent. Those numbers are not small, struggling businesses. You have four partners, each are bumping up against 70, I understand the need for help, and i'm for that, I just want to make sure that this is the best way to help on those issues. And I guess that's kind of my question. I mean, I understand the argument we'll take whatever we can get, but if the argument was reframed to the sbac and said we have \$4 million on the table to promote business in or to redirect to truly small struggling businesses, would you say this is the best way to do it. That's what i'm trying to get at. I don't believe this is the only possibility for how to help business. This is a very friendly line of questioning, because i've got to be convinced that people have seen the numbers and they're whole, because this is going to cost other programs down the road that your constituents want. I want to make sure you really see this \$4 million as you want from me as a possible third vote. Do you believe you've had that conversation in that context?

**Dunam:** We've been working on this particular issue since our inception a little over two years ago. The owners compensation issue. And the reason that we continue to support it is -- well, twofold again. One, I go back to the perceived fairness. The way the math works is if you're a company that is formed, as our colleague from the hispanic chamber mentioned, is not family owned, it isn't four or five brothers, it isn't a family owned, it's a public corporation, they're able to deduct all their compensation, regardless of who gets paid, whether the c.e.o. Gets paid a million dollars, whatever, it all gets deducted. So when they do their net income at the end of the year they don't have to add it back in. What owners compensation does is it adds it back in. That's the difference with this. It's an additional tax on small businesses. It's not that we're asking for something. We just want to be treated the same. We think it was -- I don't know why it was passed when it was, but it did. We just want the playing field evened out. That's one issue. And then the other issue is, is that we firmly believe that you may not spend any money at all on this. We see it

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as economic development, not revenue reduction, because too many of our members have customers who are moving out of the city and we want to try and hold them -- hold them here. The other issue, I'll mention, in my particular industry, you spend a lot of money in economic development, you put up, for instance, the creative service building, which was a lot of money spent to try and benefit small businesses, and it didn't work. We would like you to think about maybe reallocating some of those funds that you spend to something that can directly tangibly directed to small business to keep them here. That's our opinion.

**Sten:** That's good. Two questions I want to ask the audience. Maybe you can back to me open this, Ethan. One is sort of the sense, hearing your testimony, keeps occurring to me why wouldn't you look at restructuring the owners comp approach to the taxation itself in a way that actually got rid of that rather than giving a break on those businesses that are doing pretty well. I mean, why wouldn't you restructure the whole thinking on the thing if that's the real issue. Two, I couldn't agree with you more on the creative services development. My fear is we'll take a costly move, and a year and a half, two years from now, this symbolism isn't going to a whole lot of actual economic impact. That's my concern on this, that this is that type of play all over again, a play that won't have any huge impact on the economy, but severely limit other things. I mean, I think it's a great discussion.

**Dunam:** Yeah. I mean, we'd be happy if you eliminated the owners comp entirely, but we're trying to do what's -- we were hoping, taking commissioner Adams' lead, we were hoping to do -- we wanted a compromise, to get something done that we could. If you want to open up a conversation about redoing the entire owners compensation, we'd be happy to be involved in that dialogue.

**Sten:** Well, no, I'd like to see -- you know, I don't think this thing gets at what you guys are testifying for. I think it's a good symbolic action, I think it sends the right message, but I'm not -- no, I'm not going to come back and do that, unless you guys are going to come in and say this is what you want, I'm just going to hold you to that over the next couple years to make sure you got it.

**Leonard:** I have not talked with commissioner Sten about this, but just sitting here with this morning with the numbers provided in the packet we all received, it became -- I did some computation, and 54% of the relief goes to those businesses that make over a million dollars a year, 1.6% -- again, this is the numbers provided to me -- go to businesses making \$51,000 to \$200,000 a year. And I guess, you know, the debate has been framed in such a way that it has just been handed to us. None of us, other than commissioner Adams, has framed this debate. If it were framed in the way of just making it more easy for business to do -- conduct business in Portland, that's one thing, but I have to agree, the push on this has been -- and the message has been -- it helps small business, and that's the part I share with commissioner Sten. Again, we've not coordinated this discussion by any means at all. I'm predisposed to actually support what commissioner Adams is doing, however had I had some say in how it was being presented to the community, I would have urged that we not present this as a help to small business, because I think that's misleading. And I do not like to do things for symbolic purposes. I like them to actually be substantive and proven. And I'm deeply concerned that this proposal, this way, does not do that, the way it's been characterized. And so I share the concern. And I don't know, you know, where I land on this ultimately, but, you know, I have been a supporter of reducing the b.i.t. here in the city, think it's an unfair tax, but I'm reacting, as much as commissioner Sten, how it's been characterized.

**Adams:** I think this is a useful discussion. I don't -- in terms of looking at this -- and I know the other option that has been considered by yourself and others, which is an across-the-board cut.

**Leonard:** Right.

**Adams:** That definitely benefits the big businesses more.

**Leonard:** It does not, but it's not characterized as helping small business, the difference, and I've never said that.

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**Adams:** Well, with 62% of the people that are benefitting from this have 50 or less employees, it depends on, I guess, what we characterize as small business. This is definitely about -- this definitely helps those people that pay the tax by inherently it is on profitable businesses. So if council -- you know, the 4.3, I don't feel like it's on the table. I like the fact that it's characterized that it's sort of on the table for discussion. Happy to continue that conversation. So the conversation is a good one, but I see people, everyone looking at me, looking at their watches, if we could get the next group up here.

**Potter:** Thank you, folks.

**Sten:** Is the argument the 4.3 is not on the table? It's still 4. That's the other thing that I don't like about the pitch, it costs 4.3.

**Adams:** Definitely costs \$4.3 million of unforecasted revenue. I realize we're all hoping that there's unforecasted revenues, and definitely weapon that there will be things in the future that might cost more than what's in the forecast. That's totally on the table. That discussion has been in the newspapers and has been part of my presentations to these groups as well.

**Potter:** Thank you for being here. Please state your name when you testify and contain your testimony to three minutes, if that's possible.

**Roy Jay:** Why do you look at me like that, tom? Three minutes. I'm going to be so fast, I have 11 :30 down the street. Roy jay, president of the african american chamber of commerce and chair of the regional investment board for Multnomah/Washington counties. I came to spend just a few seconds, brief time, to hope that you will vote in favor of this, because we have always been very supportive of anything that's got to do with trying to enhance small business. African american chamber almost 80% of our members are small business that falls into the categories that you've already heard, where they're either anywhere from one to 10 businesses, then the other ones are corporations and agencies and things of that nature. You know, I haven't done all the math on it, but i'm just basically here to support the -- you know, the position that's already been taken. If you've got something better, then i'm always willing to look at that, because the bottom line is we have to try to keep businesses here in Portland instead of them going to the suburbs or just leaving or the worst case is that they're doing business underneath the table and you guys don't know anything about it. So my comments are brief, and i'm out of here, tom, unless you have questions.

**Potter:** Nice tie.

**Jay:** Thank you. Vote for it, i'll give it to you. I'm a businessman. [laughter]

**Potter:** Is there a police officer in here that could -- thank you.

**Leonard:** Mayor, you also need to know he's taken your lead and bought himself a toyota prius.

**Potter:** All right.

**Jay:** Interesting challenge to watch me get into it. [laughter]

**Leonard:** I need to get a picture of you at the wheel.

**Jay:** I know it. We'll see you.

**Jorge Guerra:** Mayor, commissioners, good morning. I'm the director for the Oregon association of minority entrepreneurs. I'm here representing some groups who send their regards. I will read this letter for you. On behalf of our small business minority and women-owned business in Oregon, members of the Oregon association of minority entrepreneurs, we encourage your support of this ordinance. Small business is the backbone for our economy, and represents a greater opportunity to grow our economy. Any short-term costs to the city's budget would be more than compensated for by the medium and long-term growth. We sincerely need to grow the Portland and state economy. This ordinance is a step in the right direction. I apologize for not being able to attend personally. So on behalf of him, that's something I would say on behalf of the organization, as director of the organization of minority entrepreneurs, we're supportive of the ordinance and hope you vote for it.

**Potter:** Thank you, sir.

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

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**Potter:** Is that it?

**Adams:** And whoever else signed up.

**Potter:** And then the sign-up sheet. Please state your name when you testify. You each have three minutes.

**Steve Buckstein:** I'm Steve Buckstein, senior policy analyst and founder of Cascade Policy Institute based here in Portland -- based here in Portland. This may be the first time I've been here to testify in favor of an ordinance before the council over 15 years. It's a little bit odd for me, but hopefully productive.

**Leonard:** I heard Lars Larson likes this idea, too.

**Buckstein:** Oh-oh. I didn't talk to Lars.

**Adams:** Now I'm really in trouble.

**Buckstein:** Finding ways to reduce the tax burden on any business, whether it's large or small, I think is a step in the right direction for Portland. Economists will tell you that if you want to generate less of something, you should tax it more. If you want to generate more of something, you should tax it less. Portland needs more business activity. I think you all agree with that. It needs more entrepreneurs who are willing to locate here and who are willing to stay here. Reducing their tax burden will help accomplish this goal. I also want to remind you that you've been talking about this as a business tax, but all taxes are paid by people. They're all paid by individuals. In the case of the business income tax, those people may be customers who are paying higher prices so that the owner can recoup that tax. It's paid for by shareholders who are getting lower dividends, in some cases retired people who are depending on that income. It's paid by business owners, the people who have testified here before in the form of less take-home pay, or in many cases it's paid by their employees, the business's employees in the form of lower salaries, lower benefits, and in many cases fewer or eliminated job opportunities. You might also want to question, I think -- and there's been a discussion here about whether you're spending \$4 million, but I think you need to question that assumption. To assume that raising the owner's compensation deduction will reduce revenue to the city I think is incorrect. Raising the deduction will likely increase business activity, and if you want to increase it more you may raise the deduction more and do other things, but what's on the table I think will increase business activity, thus increasing over time your overall tax revenue to the city. So rather than assume you have to make up lost revenue, you should take a leap of faith in this case, or more correctly a leap of economic logic, and I think you'll be pleasantly surprised at how quickly both existing and new businesses respond to this approach. Even if you take the approach that's on the table, what I categorize as the go slow approach of the ordinance, you should move in this direction. Reducing the tax burden on business will be good for business, be good for consumers, customers, be good for employees, it will be good for the children who are in the families of all these people getting hit by the tax. So I'd like you to consider taking this positive step. Thank you.

**Dave Lister:** I'm Dave Lister, co-owner Integrated Data Concepts and recently elected co-chair of the Cost of Doing Business Work Group of the Small Business Advisory Council. And like you, Mayor Potter, I'm a Cleveland high grad, so I'm all right. I'm going to depart from my prepared remarks. I've left them with the clerk in the handout you're getting now. I really wanted to speak and respond to Commissioner Sten's and Commissioner Leonard's concerns that they've voiced. I think you have to consider a fundamental philosophical difference of opinion about how to stimulate economic development. On the one hand, your perception is that the \$4 million might be used in targeted city-based investments to assist small businesses. I think most of the business community would argue that that money is better left in the hands of the businesses that earned it to make those investments by spending it themselves. And if you're concerned, Commissioner Leonard, about -- in our case, two owners, we both earn more than \$57,500. If I have time, I'll talk more about why the owners' compensation calculation is inherently unfair, but under this proposal we would save about

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\$2,000 annually in our company. What we would do with that money would be give the landscaper an extra \$300 to mulch our property, maybe get a small guy in to hose off the siding on the building. Those are the kinds of businesses that you two are talking, the struggling startups. The one and two-person endeavors that are trying to get started. Well, remember businesses are consumers as well as providers. So if i'm left with more money to spend -- and it will be spent. I'm not going to put it in a sock under my mattress. That will benefit the other businesses, which may not directly benefit from this proposal. And i'd also like to add that the hard reality of the entire business license fee system is that we don't have one in clackamas county, we don't have one in Washington county, and so particularly professional services firms, like ours, which are not location dependent, which are top heavy in owners compensation, can easily skip the county line and then you're out all the revenue. So I hope you'll read my prepared remarks, but I did want to respond to those concerns, and I thank you for listening.

**Leonard:** Dave, I want to clarify one thing. I'm not criticizing the proposal in terms of who it benefits. What I was echoing -- in fact, as commissioner adams pointed out, late last year I proposed dropping the rate from 2.2 to 1.95, but I characterized as that reducing the overall rate and sending a good message. I never said that it benefited small businesses. The concern i've had is, as i've heard from my friends such as you and others that i've worked closely with, somehow they've developed this notion that this proposal benefits them. It does not. That's my concern. Not that it should, not that -- not that I can't support it if it doesn't, but that -- you know, I didn't have a hand in framing this debate. Had I, I would not have characterized the issues the way they're being characterized, because I want people to know what they're getting. In fact, i'm still attracted to the reduction. The symbolism is important. For most people out in the community, if you want to do something symbolic, drop the rate below 2% that means something to more people. That's my only point. It's not whether we should do this or not, but making sure that people really understand what it is we're doing.

**Adams:** I look forward to the discussion about how and why this does benefit small business as opposed to the other options that have been discussed, and we can do that after our break for lunch. Thanks.

**Mary Norquist:** Good morning. My name is mary norquist, a principal broker for coldwell banker barbara sue seal properties. I'm here for support to the deduction. I served last year as a representative from the Portland metropolitan association of realtors on the committee looking at revamping the overall business tax program. I see this increase in the owners compensation deduction being a good first step toward giving relief toward small business owners. And yes, I do understand the group that this would benefit and those it would not. So you don't need to ask me if I understand it. By giving this tax relief, business owners can provide better stability to their employees and to themselves, which leads to a more stable and a better community for all of us. If we can't look to our civic leaders and elected officials to take the lead on this issue, who can we look to? It's time for the city of Portland, home to hundreds if not thousands of small businesses, to take a stand. We must encourage small business owners, not put them out of business with layers of fees and taxes. Many of my clients are small business owners, and I can tell you they're holding on by the skin of their teeth, and so are their employees. I ask you to take this testimony to heart and support this effort. Thank you.

**Adams:** Thank you.

**Potter:** Thank you. When you speak, please give us your name. You each have three minutes.

**Arnaldo Garcia:** Good morning. I'm arnaldo Garcia, I own morningstar cafe here in downtown. I don't have extensive background as we've heard from the earlier folks. I don't belong to any particular organization that allows me to get together and discuss these policies. However I will tell you that I haven't been able to open a second location in downtown because all of this little fees and taxes and all of this little expenses, that when you put them altogether and you are a small owner



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with four employees, and you have to work behind the counter every single day because you're trying to make payroll for everybody, it's hard to do it. It's hard to give to the city more of what we're doing with actually a lot of pleasure. The fact of the matter, in my mind, also, is that, is sort of investing in yourself. Is the city taking monies, in this case, perhaps cuts or however you want to categorize them, to people like myself in order to reinvest in the city, because if I had had this help in the last couple of years I would have created six more employments, but I haven't been able to. I doubt I will be able to do that by the end of the year. So therefore I think that what's being proposed today is nothing but making Portland money, if you will, to work for itself. Thank you.

**Adams:** Thank you.

**Potter:** Thank you.

**Michele Gila:** My name is michele gila. I own a small real estate brokerage here in Portland, roots reality. I came here initially to support the proposal. I felt like I read a lot about it. But hearing your comments and your comments, those were the concerns that I had that I felt were stillen answered when I came here this morning. So i'm actually not prepared to hold either position on it at this time. I respect all of you, I actually voted for each of you when you ran for your positions strangely enough.

**Adams:** That the not so strange. [laughter]

**Gila:** So i'm officially sitting on the fence.

**Adams:** Thanks.

**Potter:** Thank you.

**Anthony Morgali:** Hi. I'm Anthony morgali a coproducer of morgali films. As a small business owner, every little thing that you do helps us. And listening to your concerns, erik, and owe has brought me to think, how else could we spend \$4.3 million that would help if this wouldn't? Everything -- every little thing helps. So I wonder, and I propose, that if this isn't the best way, what would be? I don't know. I leave it open, because i'm not in your seat, and I don't see your papers. What I see is, ok, this month I have to buy tupperware instead of pelican cases, which are much more expensive, to make things work. That's it. Yeah.

**Adams:** Thank you.

**Potter:** Thank you very much.

**\*\*\*\*\*:** Thanks.

**Potter:** Thank you for being here. Please state your name when you testify. You each have three minutes.

**Chuck Jones:** I'm chuck jones. Thank you for having us, mr. Mayor and commissioners. I'm here to support the proposal. I live in Portland, and as you all know i've been very heavily involved with the Portland business alliance and am the small business representative to the executive committee at this time, however my business is not in the city. We moved out of the city a few years ago at the advice of counsel and our accountants to save money primarily. One of the reasons was the tax situation. Businesses are moving out, or not coming in, and I might make a suggestion that if you don't believe that to check with small accounting firms and small law firms and see where they advise new businesses to set up business when they're asked. I have several accountants that I work with, and I got to tell you that every one of them say to the people that come in, they're starting a business, you know, don't put it in Multnomah county. I feel this is just a small step in the right direction of saying that we are open for business. And I know that's already been said this morning, and I think it's important that a signal be sent. The economists said, you know, one way to increase income is to lower taxes. I think we all know that is true. I don't think this should be looked, commissioner Sten, for example, as a \$4.3 million expenditure. You should look at it as a \$4.3 million or more savings. Four years ago, round figures, and commissioner Sten you'll probably correct me, but approximately \$82 million brought in to be shared by the city and the county. As I understand, that's now down to around \$58 million. That's \$24 million in the past four years, or

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about \$6 million a year. Admittedly, it's split both ways, but obviously that's part of it, if we can stop that outflow that would help. Mr. Mayor, you ran as a small business advocate. Yes, I didn't support you at that time. But I'd like to hold you to your pledge. We need your help now. And at the very least, how about increasing the exemption to the same as your salary? Thank you.

**William Knuths:** Members of the commission, my name is William Knuths, an attorney with a private firm located in Portland. We've been in Portland for over 100 years, and are hoping we can be in Portland for 100 more years. I don't represent any industry group, legal profession or otherwise, but I did want to take just a moment to tell you how critical an issue this is for us as one firm out there in the legal services industry in Portland. I suspect, although, again, I don't speak for the legal services industry, that Portland has enjoyed something of a honeymoon with our -- with our industry, and that's been because historically law firms have hovered near courthouses. It's been important for lawyers to have access to the courthouse, to represent their clients, but even though the law and law firms can be slow to change the electronic age is here, and we file electronically now. We don't need to be in the courthouse. It's very rare for a case to go to trial, as I'm sure you know. So what's been holding us in there is -- is gone at the same time as this disincentive to business is becoming more and more important on our public budget line items. I'm here to encourage you to vote in favor of the proposal and -- and if I could to make a quick attempt to address some of the issues that have been raised already. As to whether or not this is the best way to help small business, you know, I don't know if any of us have that answer. I don't know what -- if we'll ever know when we've reached the best decision, but I can say for sure, if a decision isn't made now, it will be too late for many businesses. You may come up in the future with what you consider a better proposal, but more businesses will be gone. I have two colleagues from law school, one of whom established a firm in Portland, was very successful, and about a year and a half ago moved out to unincorporated Washington county for this very reason, one of the significant factors in her move. Now another colleague, a friend of both of ours, who's considering Montana, Oregon, and a small town in Colorado for opening a new business. She recently convinced him to hold his organizational meeting at her new offices in unincorporated Washington county, his other option was our offices, and we were each pushing for sort of drawing him nearby with his new business. Looks like maybe I'm going to lose that effort to my colleague. I would like to say that I don't necessarily see this as symbolic, but truly substantive. I mean, I like to think that -- or I expect that many of the truly small businesses aspire to grow and be successful. If he has nothing to look forward to but a tax structure that can be -- can be deadly to them, then that may affect their incentive to establish in Portland and to grow to that level. Is that a timer?

**Moore:** Yes.

**\*\*\*\*\*:** Thank you for your time.

**Adams:** Thank you.

**Potter:** Thank you.

**Karen Mainzer:** Good morning, Mr. Mayor and members of the council. For the record, I'm Karen Mainzer, the director of local government affairs for the Oregon restaurant association. First of all, thank you for the opportunity to testify on this proposal. The restaurant association supports this proposal and are extremely grateful to Commissioner Adams for bringing it forward. We believe restaurants are the cornerstone of our local community, providing a place for friends and family to gather for special occasions or just to reconnect. Restaurants also supply jobs, jobs that are critical to the economic viability of this city. Fees such as the B.I.F. that are unique to local jurisdictions discourage local business growth and therefore by discourage local jobs. The ordinance is a step in the right direction. We've heard that many times. It indicates a recognition that local small businesses are an essential part of what makes Portland so special. The Oregon restaurant association encourages the city council to support the ordinance and send a message to small

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businesses that you recognize the important role they play in Portland's economic viability. That's all I have. Thank you for the opportunity.

**Adams:** Thanks.

**Potter:** Thank you very much. Mr. Butler here?

**Connie Hunt:** It all mine, at last. I'm connie hunt. Mayor Potter, commissioners, it's great to be here today. I'm the chairman of the board of the Oregon restaurant association. So I just want to add on to what karen has already told you, but put a personal face on it as well. My husband, pudgy, and i, have owned the east bank and saloon restaurant company here in the city of Portland for 27 years. A lot of you guys have heard this spiel before, so bear with me, but mayor Potter's new to my lingo. We're a multigenerational family-owned business. We're very proud of that. But like a lot of other small businesses in this city we don't necessarily make a lot of revenue off of just that one business. In this case, as times have changed and business has changed in the city of Portland, we earn most of our money here from our entrepreneurial adventures. We buy and sell property, we own the property that the east bank saloon sits on. So we really would benefit from this proposal that commissioner adams is so wonderfully brought forward to us today. We as a family would be encouraged to, as we buy and sell and do these businesses, to reinvest in Portland rather than to leave Portland and reinvest someplace else. As karen said, the hospitality industry is big in the city of Portland. We represent over 2200 businesses in the city. And one of the mantra that the o.r.a. has been putting forth is anything good for the hospitality industry is good for the state of Oregon. We can carry, I think, into this arena as well. Anything that's good for the hospitality industry or business in general is good for the city of Portland. One of the things that we've been working on as an industry is to try to get -- i'm cleaning this up for you -- rumps in seats. That's our goal as an industry. The more people that are in this city, the more people will come in to our business, and everybody benefits. We see this, not only individually, as a business owner, but as a chairman of the board of the Oregon restaurant association, we see this as a wonderful economic development tool and we urge one of you to please join commissioner adams in this -- this great step forward. And let me just say, you heard before every little bit helps. Well, that's absolutely true. Just as every little bit hurts. The layer and layer after layer has been hurting us for so long, this goes beyond symbolic gestures, this is truly money in the pockets of business owners to reinvest in the community. Thank you very much.

**Potter:** Thank you.

**Moore:** That's all.

**Adams:** Mr. Mayor, we have folks that have been waiting a long time as well to talk on the noise issue. So before we break for lunch, if the council would be ok, the b.l.f., we can talk again, if it's all right, after the break. It's just the first reading i'd enjoy more conversation, but I know people are here to talk about the noise issue as well.

**Sten:** Mr. Mayor, could you clarify what the plan for lunch break is? I didn't get notification on that.

**Potter:** Well, both commissioner adams and I have a lunch that we had committed to some time ago. We thought it would be over by now, but it's not. The session, the commission session. So we could either go through, and we'll just have, you know, people notify our respective --

**Sten:** I just was trying to figure out what the timing is.

**Adams:** It's a luncheon at noon.

**Sten:** Planning to reconvene?

**Potter:** When do you want to reconvene? 1:30?

**Adams:** Ok with me if it works.

**(Note: Item 370 was continued to 1:30 p.m. April 27, 2005)**

**Potter:** Ok. Let's call these folks up that have been waiting. Do you know the ordinance number we're talking about, Karla? Resolution.

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**Moore:** It would be 396 and 397.

**Item 396 and 397.**

**Potter:** Commissioner Adams?

**Adams:** Resolution 396 would limit the warmup, but allow the race to proceed on Sunday, June 19.

Limits warmup to an hour. The technical requirements for these cars to be considered safe requires a warmup, a certain number of hours ahead of when the race actually begins. And then, Paul, do you want to come up and quickly tell us about 397?

**Paul Van Orden, Noise Control:** Excuse my casual dress. The second item is in response to the council dialogue and how to address the potential impacts on the community from p.i.r., and in general noise sources in North Portland. So the concept of the resolution is to show or demonstrate to the community that the city wants to begin addressing these issues by first serving the community to find out what the priorities are, and then following it up with an acoustical engineering noise survey, to find out scientifically where the problems really lie, so we can down the road begin to address the noise concerns for the community in a comprehensive manner. So this resolution demonstrates to the community, the city's focus on noise issues in the North Portland community.

**Adams:** Thanks.

**Saltzman:** What's the cost of those studies?

**Van Orden:** Well, I think part of the challenge will be sitting down with the parks bureau, planning bureau, and the noise office and looking at what the possible options are so that we can come back with the proposed request for an r.f.p. for this project. I don't have a rough guesstimate.

If I had to guess I'd say the noise survey on its own would probably be a \$20,000 project, maybe a \$30,000 project. My forte is not in community polling or surveying, so it would be a little bit more challenging for me to throw out a number in that arena, but that would probably be -- the noise survey, I think we could accomplish this body of work for about \$20,000 to \$30,000, depending on how comprehensive we design the program, if we're really focused on p.i.r., with a little bit of work on the quantifying of the other noises, such as the train noise and the airport noise. So it's a little bit open-ended still at this point. I would assume we'd come back to council and propose what our perspectives are in a few different -- and a few different options for releasing an r.f.p.

**Adams:** This is a plan for a plan. I didn't want to lock council in, but at the same time allowing the warmups to occur, I thought it was a good gesture to the neighborhood to at least begin that process and have staff come back.

**Sten:** Technical question on the warmups. I'm not sure I'm right on this. I thought I understood from the last hearing that they needed to start at 10:00 and warm up through the race. Am I wrong on that?

**Adams:** Who's the expert in the room on warmups? I'm certainly not.

**Sten:** I thought you said, commissioner, you were going to limit them from 9:00 to 10:00. I thought we allowed them from 10:00 until race time.

**Leonard:** They wanted it earlier in our hearing, and I didn't support that.

**Sten:** They wanted to start at 9:00 and go all the way through.

**Leonard:** They did.

**Sten:** I don't think they can warm up in an hour.

**Sten:** Oh, I see what you're saying.

**Sten:** You said you were going to limit it from 9:00 to 10:00 only.

**Adams:** Let's see what the needs are, and if I've hit the sweet spot here. If not, we can amend it.

**Sharon Tracy:** My name is Sharon Tracy, with Global Events Group. Originally we had a schedule that shows Sunday morning starting at 8:15 in the morning for warmups for Toyota Atlantics and the Champ Cars. That did not pass through the noise review board, and it was a 10:00 start for the warmups. We went into the discussion on the national television, it starts at 1:00, which now has been backed up -- or the race -- the Champ Car race will actually start at 12:45. Their rules state that

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those cars are allowed to have a warmup on the track for safety issues four hours before race start. What we were asking for, I think what commissioner adams is clarifying, is that the champ cars would be allowed a 30-minute warmup, starting at 9:00 on sunday morning. They require that, the variance, to do that. There would be other activities between 9:00 and 12:00 or 12:45 when the race starts, including the atlantic race, already approved in the schedule, it doesn't start until 10:30. I think the whole time on the track between 9:00 and noon is about 1:35 of activity. And the 30-minute warmup with champ car and the 50-minute race for atlantics are the only cars during that time that require the variance.

**Leonard:** The question is, this limits the warmup from 9:00 to 10:00, so you couldn't have somebody warming up after 10:00. Is that your intent?

**Tracy:** No. By the time we get to 10:00, we were into our regular approved schedule.

**Leonard:** So you don't need it after 10:00?

**Tracy:** No. We already have everything for 10:00 is already approved.

**Sten:** Warming up cars after 10:00. So if this inadvertently says you can't after 10:00, it would be -  
-

**Adams:** I see.

**Sten:** It says you only do it from 9:00 to 10:00. That's no what you're asking for, am I right? Or is it?

**Tracy:** Let me read the current draft schedule from champ car, and this should answer the question. If we are allowed to do this. 9:00 to 9:30 is a champ car warmup.

**Sten:** Ok.

**Tracy:** Then there's a 15-minute break, 9:45 to 10:00 is a drifting exhibition. That is not a varianced event. At 10:15 we have the cars, the atlantic cars coming to the track. Their race is from 10:30 to 11:30. That's a race. So there are no other groups out there warming up.

**Adams:** And is an atlantic car a champ car?

**Tracy:** It's the smaller version of a champ car.

**Sten:** Let me ask this a slightly different way. Are you satisfied that you have what you need if this resolution passes?

**Tracy:** And the resolution says that warmups would be allowed from 9:00 to 10:00.

**Adams:** Right, for champ cars.

**Tracy:** Yes.

**Sten:** Ok, terrific.

**Potter:** I'd like to ask a question. Why did we even need a resolution?

**Leonard:** Because we had' hearing, only three of us present, and I did not support the earlier warmup.

**Potter:** Do you support this?

**Leonard:** Do you?

**Potter:** Yeah.

**Adams:** I do.

**Leonard:** I was persuaded by the neighbors who live there, that this is unusually loud, and the warmups were not originally a part of the deal, and i'll just real sensitive to people in their homes being, you know -- having some control over the amount of noise around them.

**Van Orden:** Commissioner leonard I think is right in what I tried to do in offering some input on this item is that one issue that would help solve the concern for the community is putting a focus study on the warmup and making sure that we get adequate sound readings out in the community during this event to determine if it is really even an issue. If it is an issue, there are two more years that we know for sure we'll be working with global events on the event. We may look to work with them to push the event back to 10:00. We'll have hard data to make that decision, so part of what the proposal includes, or the resolution, is the concept that the noise office will ensure that we take

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adequate sound readings for the warmup part of the race, and make sure that we have good data on that, because in the past --

**Leonard:** You're lacking that.

**Van Orden:** Lacking that currently.

**Leonard:** You would like this proposal to pass to do that analysis.

**Van Orden:** It would help serve the needs of the community to find out where the problems of.

**Adams:** A factual base. When i'm trying to do here, one, this particular event -- there's a lot of noise that comes from Portland international raceway from a lot of different activities. This particular event produces the most economic benefit of all the noise-makers -- well, one of the most prosperous economic benefits of most all the noise-makers at p.i.r. So I was trying to use this as an opportunity to get a more comprehensive and databased analysis of noise in north Portland. We've got the racecar, freeway, airport, the port's business backup, and a lot of railroad noise. So just trying to get a factual -- to get a factual basis to that. Again, it's a resolution requesting they come back with an r.f.p.

**Potter:** You know, i'm just wondering if we need 396, if 397 is passed. 397 is the study.

**Leonard:** They're limited right now from not being able to warm up before 10:00 because of a lack of support in the prior hearing. This would actually allow something that we did not allow in our prior hearing.

**Adams:** Right, but the tradeoff is --

**Leonard:** And in hearing the explanation, i'm fine in supporting this.

**Adams:** Ok. For goodness sake, let's vote quick. [laughter]

**Saltzman:** Strike while the iron is hot.

\*\*\*\*\*: If you want to listen to more people, we can always bring up more people.

**Adams:** Can I call the question on my own resolution?

**Potter:** No, you can't.

**Adams:** Ok.

**Adams:** But somebody else can. Thank you very much. We appreciate the folks coming in to testify. I have some commissioner up here equally waiting to -- yes, please.

**Leonard:** I'm encouraged that commissioner adams just realizes that when you have three votes you ask for a vote. Laugh.

**Sten:** The obvious caveat, if anybody in the audience truly wants to testify, please let us know. I would move we close for the testimony and call the question.

**Adams:** Second.

**Potter:** Karla, please call the vote. This is on 396.

**Moore:** Thank you.

**Adams:** I'd like to thank the sponsors and promoters and the Portland Oregon sports association, p.i.r., and the parks department for working with us on both of these and the continued partnership on the nixed resolution, and also underscore a thank you to paul van orden and to maria on my staff aye.

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

**Potter:** Aye. [gavel pounded] please read 397. Commissioner adams.

**Item 397.**

**Adams:** I'm ready for a motion.

**Potter:** Could I ask a question? Are we also providing the funding for this?

**Adams:** Not at this point. They have to come back, because they've not done any sort of that costing work.

**Potter:** Ok. Is anybody set to testify on this? Anybody -- any commissioners wish to make a motion?

**Leonard:** I don't think we need a motion. We just vote.

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**Potter:** Pardon?

**Leonard:** We just vote on resolution.

**Adams:** Aye. **Leonard:** Aye. **Saltzman:** Aye. **Sten:** Aye.

**Potter:** Aye. [gavel pounded]

**Ben Walters, Office of the City Attorney:** Before the council disbands for lunch, can I point something out? There is no 2:00 meeting this afternoon. There's no scheduled meeting for 2:00. So what the council will be doing is reconvening at 1:30 --

**Leonard:** Recessing instead of adjourning.

**Walters:** There are a couple of matters. 390, 391, and 395 that do not require a five vote. There's a second reading resolution and another second reading. So if three of the council members are available to stick around, those matters could be dispensed with, and clear up a little bit of time in the afternoon, if that would be the council's pleasure.

**Leonard:** I think i'm going with commissioner adams.

**Walters:** Oh, you are. Ok. If that's the case, then you're losing the quorum, and that won't be possible.

**Leonard:** It won't take long to dispense those when we come at 1:30.

**Walters:** Ok.

**Potter:** Ok. We're adjourned until 1:30 p.m.

**Leonard:** Recessed.

**Potter:** Recessed. [gavel pounded]

At 11:57 a.m., Council recessed

At 1:38 p.m., Council reconvened.

[ Roll call ]

**Item 370 (continued from the morning session)**

**Potter:** We're returning to item 370. I'll turn it over to commissioner adams and commissioner Saltzman.

**Saltzman:** For those of you watching, we're going to --

**Adams:** We're going to give commissioner Saltzman and myself some time to make some closing comments, maybe ask terry to provide us with some of the technical issues, this is a very complex tax, I don't claim to be an expert, but I know terry is, and i'd like you to especially comment on commissioner Sten's question about the effective rate of relief, which I think he's right, and I was wrong, and then just collect any requests for information or any other ideas you'd like us to explore, and we'll take it back to my office. Is that ok? Ok. During the past hundred business days, visiting a hundred businesses, i've heard a common plea loud and clear for the city to address a number of things. At the top of the list it's always been taxes and fees. It can mean the difference between having a bottom line that is at least plentiful to employ people, it can mean the difference between a business not only just surviving, being able to employ people, but also it definitely has a very. Parallel to their interest in staying in the city of Portland. A new report from the auditor's office noted that we remain -- our unemployment remains higher than the national average, and the number of businesses that show up on the business -- bureau of business registry has remained basically flat with revenue basically flat as well. There is a lot that we need to do to address our business climate, and I know that the mayor and others, partners in the region are working on a long-term strategy for restoring a growing standard of living for Portlanders, and I applaud that. I think this is a step in that direction. This is not a new proposal. It is not a proposal that is one that I dreamed up. It was a proposal of a business license fee review commission in 1991. It was one of the top items identified by a business license fee review commission in 2003. It was a recommendation in 1995, and most recently the blue ribbon task force that mayor katz appointed

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mentioned this as a priority item. Why focus on the owners' compensation deduction? It's very legitimate to ask about other potential ways to address the liability issue. One is to reduce the overall rate of 1.95, it would cost the general fund about \$4.1 million, it would impact a lot more businesses, over 16,000, with an average savings of about \$250. Another one that i've looked at and explored is eliminating the \$100 minimum fee, which the county does not have a \$100 minimum fee. That would reduce the tax by \$2 million. It would benefit about 24,000 businesses, and it would be an average savings of \$83. The way these things can be sliced and diced, there are many things. The reason why i'm comfortable calling this a small business license reduction ordinance is because it disproportionately impacts the people who get the benefit, disproportionately are the firm that's employ 50 employees or less. You can look at the number as well, and you can look at a variety of different ways, and i'm open to the best idea here. But because the owners compensation deduction was mentioned after every group got together to review this thing as an area that needed to be addressed, and because the unique nature of sole proprietorships or wholly owned c corporation and what they can and cannot get out from under in terms of other taxes, it seemed like an obvious thing to put forward for council discussion. I passed out a set of -- a graph that shows who pays. The other reason for the owners compensation deduction to be a good candidate for tax relief is that under the way that our -- with apportionment and other factors, the way the business license fee works in the city of Portland is that real estate and professional services, which includes the creative services, arguably pay a disproportionate share of the overall tax burden. Now, one of the reasons that the earlier effort sort of broke down is that they were all done on a revenue neutral basis, that if we were going to address the inequities and the burden on real estate and professional services, you'd have to raise taxes on manufacturing. I think they attempted to do that before I started work as the mayor's chief of staff, and the kickback was so great the council rescinded it. And then in the most recent business license review process, which operated under revenue and control basis as well, business organizations suggested a payroll tax, which I don't support, and didn't go anywhere for obvious reasons. It would have arguably hurt small businesses. So there's a lot to talk about here, and I thought it was important as we near the end of the budget process, which is where we vote on the city's four-year -- five-year financial plan to put this on the table. I'm not going to be pushing for a vote next week, but I wanted to begin that conversation. I know that it tests your patience at a the end of a very difficult budget process, and I know the potential unforeseen, unforecasted, ongoing liabilities of the city are significant and great, and I take them very seriously. But I think a portion of our efforts as some of the folks who identified mentioned has to be devoted to growing our economic base. I'm not saying all of it, you don't want to eliminate this particular tax, because if you do, it actually -- some of the payees would be paying more under some of the other scenarios. So i'm trying to be responsible about this, i'm trying to offer a balanced approach, i'm not saying it's not without pain, but it's an investment in the economy, and with that i'll let commissioner Saltzman speak.

**Saltzman:** This has been a long-sought change. Any change to our business license fee approach has been long-sought. I don't think any of us disagree that this acts as a disincentive to certain types of businesses to stay in the city of Portland. And we've all met them. I've visited offices where i've heard that, and I think the testimony from the tax lawyer here this morning was -- is exactly right on. If you talk to any small accountant or small business or an attorney to small businesses who is forming a new business, their first piece of advice will be, don't do it in Multnomah county or the city of Portland. And that edge effect is very real. And it's costing us. It's costing us good jobs, it's costing us the businesses that grow from small sole proprietorships or partnerships into tomorrow's fortune 500 companies. And we are losing that game, and anything we can -- we can overwhelm ourselves by the daunting aspects of, where do you start? Do you reduce the tax rate, increase the owners' comp? We can go back and forth, but the fact is, taking a bite somewhere makes a tangible difference, and I think this is one good way to get started. I know that a little less than eight months



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ago a council -- the council made a tough decision to cap utility license fee on water and sewer rates, and at the same time, when we were having the debate about that, we were all concerned about the revenue impacts of capping the city's sales tax on sewer and water rates. But we did cap it, commissioner Sten and commissioner Leonard supported that effort, and you two weren't here then.

**Adams:** I would have supported it.

**Saltzman:** But anyway, that was a bold move, and it cost about the same amount of money, \$4 million, \$8 million, somewhere in that range.

**Leonard:** \$5.1 million.

**Saltzman:** And we did it, and the city is still operating. And we're still delivering water and sewer services, we're looking at a budget right now that has some \$14 million of one-time money to spend. Sure we have an ongoing issue, but I think it made a tangible difference by reducing the water and sewer rates by up to 33% up to four years. And I think that sent a tangible signal to many businesses, as well as ratepayers who were paying very high sewer rates in particular. I think this is important as much for the tangible reward to those businesses that will see more money in their pockets and then will turn around and hire the microbusinesses to do more work. But it's a symbolic issue too, because the rap is that stay away from Portland. And you can understand, if your business doesn't have to be downtown or in the city limits, why be here if you have to pay a county and business license fee that other counties that you, move across the border to Washington county, Clackamas county, and not have to pay that and still do your job. And that becomes even more of an issue in an e-commerce economy. I appreciate the efforts of commissioner Adams and support them and hope we can find a solution that everybody can support.

**Adams:** Terry, do you want to step forward and answer any questions or provide any insight on some of the discussion this morning or the questions that were asked?

**Leonard:** I'd like to say a couple things. I need to ask Terry, because mine really aren't based so much on the numbers as the timing. But I did want to clarify a couple things given the debate that occurred over the past couple weeks. I had been a supporter of reducing the business income tax business license fee, but I had approached it differently than commissioner Adams. I have insisted on there be a method by which it's paid for, so I have never as a standalone measure proposed reducing it without proposing specific cuts in the same package so we know how we were get can there, or proposing an alternate revenue source. So going back to one -- when commissioner Adams was chief of staff Adams, I did support the replacement of the business income tax with the payroll tax with a higher deduction for small businesses because the very criticisms we heard this morning of public corporations not paying would pay, and organizations like Emanuel Hospital, Providence Hospital, U of O, that currently don't pay, would pay. And I felt because it was a broader tax, it was a fairer tax, because any time you have a tax such as the business license fee/business income tax that is -- that rests on a smaller number of people by definition in my opinion, that is unfair. So you look in my approach to find a tax that may not -- this may not be a politically positive approach, but I think it's the fairer approach. You find a tax that has as a low rate as possible, and it's placed on as many people as possible, it becomes less cumbersome. I appreciate commissioner Saltzman reminding everyone that all of us here, including commissioner Sten, that were on the council last time, voted to reduce the utility franchise fee from 7% to 5% on a 3-2 vote. So it required every one of us to pass that. It seems to have been lost in some of the discussion in the emails and conversations I've had as of late as I've heard things such as the city just does nothing to show that it's interested in helping businesses. I just don't think that can be substantiated. I'd also like to point out that late last year as commissioner Adams alluded to, as part of the utility franchise fee reform package that we intend to bring forward, I had included a reduction of the business license fee from 2.2% to 1.95%, acknowledging, as I did earlier, that that isn't necessarily a formula that helps small businesses per se, but I didn't say it did. It reduced the rate. And I was aware of that. I also would

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be remiss if I didn't point out commissioner Sten was a supporter of that proposal. So I think people need to hear the questions we were both asking this morning in the proper context, and they are not questions opposed to this idea, but again, I think -- I don't need to speak for commissioner Sten, but for both of us, I think our concern is not to unilaterally reduce the city's revenues, that the citizens depend on to provide essential services without either two things, proposing where we're going to take it from in cuts up front, or two, proposing what kind of substitute revenue we're going to bring forward. I have indicated to commissioner Adams early on that this proposal of his, I -- if not exactly this, something like it I could support as we roll out our utility franchise fee reform that will be coming soon. I personally don't feel it's responsible for me, just because a group of people are asking for a proposal such as this to say yes in order to placate them. I need to be responsible in how I manage our city's resources and speaking for myself, I can't do that unless one of those two factors I spoke to exists. For me this was premature. I am to be very candid, it's unfortunately premature. I don't think we needed to have the kind of pitying that we've seen in the last few days occur, but if we were to maybe wait it a little bit longer -- bit longer until we had a fuller package, would it have been more balanced and allowed me to support this proposal.

**Adams:** Any -- Terry, did you want to comment on anything?

**Terry Williams:** Terry Williams, Bureau of licenses. Commissioner Sten's description of the calculation this morning was correct in that you have the net income and the owners' compensation works that it's 75% of that net income, not to exceed what the cap is, and for 2004 that's 57,500. So that -- you were correct. What additional questions do you --

**Adams:** Just early on I had a conversation with licenses with my intention being to focus as much of the -- whatever reduction that we could achieve to benefit small businesses. Can you talk a little bit about the -- both the graph, you can do it in a much more coherent way than I can, in terms of the burden of the overall tax payment, and also options for helping small businesses given the constraints we work under with federal legislation?

**Williams:** I'll do my best. I think that commissioner Adams passed out a page that's got a big bold title, "community partnership agreement," and has some revenue distributions on it. This was created February 28, 2002, as a part of the community partnership agreement that was looking at the business license -- business license tax that commissioner Leonard talked about where the proposal came out to potentially shift that burden and include a payroll tax. What this revenue distribution shows is by each of the city's fiscal year what industry s.i.c. pays the burden of our fee. So if you look down to the last year that's on here, fiscal year '00-'01, you can see the largest professional services pays about 20.5% of our overall business license fees. Retail trade pays 13.66%, the one after that would be wholesale trade. So it just distributes over those industry sectors and shows who is paying over a five-year period the burden of the business license fee.

**Adams:** This really is a factor of apportionment. Our business -- our -- it's a tax on net income on transactions within the city.

**Williams:** It's a net income tax based on all activity that's done inside the city that doesn't necessarily mean that the business is completely located here, folks that are located outside come inside to the city to do business are also taxed as well.

**Sten:** Do you have any way of knowing how the percentages that people pay compare to their percentage of economic activity? Professional services in the range of 20% of the economic activity in the city, or -- it's hard --

**Williams:** The apportionment --

**Sten:** If that's similar to the economic activity it seems fair, it doesn't seem like 20% is unreal --

**Williams:** We haven't done an analysis to look at that, so I don't know.

**Sten:** It's hard to know if that's unfair. If they're 50% of the revenue in the city, which they're not, they're getting away with something.

**Williams:** We haven't analyzed that.

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**Adams:** Do you have an analysis of sector apportionment by sector?

**Williams:** No, we don't.

**Adams:** Can't do that?

**Williams:** We don't have one done at this point.

**Adams:** Any requests for information?

**Potter:** Before we adjourn, I have a few things I want to say.

**Sten:** One request. I would say -- I always like the mayor to speak last. I would request, I mean this just in a constructive fashion, some mechanism, i'm still thinking -- some mechanism other than a kicker to look at putting this in. I don't like the way -- this is -- it essentially kicks in our forecast low, and I think the whole kicker mechanism at the state has proven to be a nightmare, so to me that is a mechanism that needs some work. I'm not -- i've got to get through the whole process first, but I would prefer us to say if we're going to do it, we're going to budget it and do it in some fashion that's predictable.

**Leonard:** I think that's going to what i'm saying. If we can have this discussion, just a few weeks down the road, i'm ok with just implementing it right away if we have a means by which we can fund that. But I just can't support it even in this limited fashion without that.

**Adams:** This is -- to speak to the -- I absolutely respect your perspective that you think this is premature. This is a non-- it's to introduce the discussion, it's a nonemergency ordinance, and it's in the last couple weeks of the budget, so that's why I brought it forward. Did you have more? There are other options just by way of sharing. We -- the five-year forecast is going to throw off over \$40 million. There is the opportunity to use it to stair-step it down, the one-time money, you can use it to stair step, whether you start at 100%, 4.3, and stair-step it down. You can also stair-step it up. Or you can fund it this year and then know that you have that amount to cut the following year. So there are some creative uses of the one-time money to implement the pay as you go basis. I just want to underscore, it is taxes and it's very confusing, this is a pay-as-a-government just since march, the city appropriately forecasts very conservatively, and i've been through a number of these coming out of recession things, and just since march we have picked up almost \$1 million of unforecasted ongoing revenue. That's not to say we will continue to do that, that's not to say i'm open to a different date than march 1 as a starting point, and i'm open to other suggestions that would get the council support. But it does show that there is going to be more -- likely more revenue than what is forecasted. Again, I note other side of the argument is we have potential ongoing liabilities ahead of us.

**Potter:** I'd like to thank commissioner adams and Saltzman for bringing this forward. It's interesting as I listen to the people talk and being rather new, I had a chance to listen with some fresh ears, and the thing that came out to me was that perhaps what we need to do is step back and take a look at this whole issue of business taxes and do it within the context that commissioner leonard was discussing. What is it that is fair and reasonable? It seems even this particular ordinance is not reaching a lot of population that I want to see reached in terms of small businesses. I think that before we leap into an ordinance like this, we need to step back and see what it is we're going to be having to cut, or find some other revenue source to fill the gap. So I would -- my preference is to have it go back to your office, commissioner adams, and perhaps look at this through one of our work sessions, and bring in our umph people, bring in some of the business community, and look at iron tire business taxes for the city, and come to some conclusions and policies about how we want to move that whole issue forward. It's been pointed out by commissioner leonard that last year there was some serious effort to reduce the fees to businesses. I think this is another effort. My preference would be to look at it in a more holistic fashion, come up with something that has a stated policy we can go with from year-to-year, and demonstrates how we're going to pay for it.

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**Adams:** I would be happy to do that. It might be useful to summarize all the previous reviews so that we have that as a basis for the discussion.

**Leonard:** That would be good.

**Potter:** I'm going to ask the office of management and finance to develop a list as well of all of the areas we have provided additional monies in the 2005-2006 budget, specifically to the business community so that there's an entire picture that is there for the business community to see. So when they talk about, this is a single gesture, I think they have to show we are paying attention, that we're willing to work with them on these issues, but we've got to do it in a responsible manner.

**Adams:** Thanks, terry. Appreciate your help.

**Potter:** Thank you. Any other discussion on this? Do we have to have a motion?

**Leonard:** We're going to direct it back to commissioner adams' office.

That would require --

**Adams:** I'll just accept it. Done. [gavel pounded]

**Potter:** Now Karla, if you know where we are?

**Moore:** 389, on the regular agenda.

**Item 389.**

**Sten:** I'll introduce this for the council and see if there's any public testimony. I'm very pleased to bring this forward. This contract is the result of I think several years of work in preparing to make a credible offer for Portland general electric, and because there are people listening, I will take a minute to reiterate that what the city is proposing is that the city of Portland act essentially as an acquisition agent for Portland general electric and then work with the region to set up a regional publicly owned utility. We have an advisory council that is formalized now and working every week with committees meeting weekly and the big group meeting every two weeks to work on putting a board together and setting up a governance structure with our help, and the idea is to buy p.g.e., set it up in a regional utility that's publicly owned, and then retain the p.g.e. employees as a private company to run the utilities. The net benefits in addition to some very basic and I think fundamental things this community needs, which are stability, a long-term focus, and Oregonians in charge of making the key decisions, in addition to that, and without those things I think it will be very hard for us to have reliable power into the future, particularly the way the markets are going. This will bring approximately \$100 million in annual savings. Those savings are from basic fundamental aspects of the deal. Enron is collecting \$60 million in tax these are not being paid to the federal government. Perfectly legal as the author of a book who looked at these things said, but clearly not something Oregonians want to do and clearly something that's not in Oregonians' interests to support. That represent as 6% rate decrease right there. The other \$40 million would come from the lower cost of financing that public bond was allow, and I think it's important to point out the reason the city of Portland is an appropriate and in this case the best acquisition agent is that we have a triple a credit rating, which is unique for cities this size, and unique in the state of Oregon, so we will be able to achieve the best interest rate, and we have the legal ability to buy the system, and city council that's positioned in a way that we can actually negotiate well with enron. And I think that's critically important given enron's actions so far. You have to be in a position to have a strong team that can work quickly. With that in mind, what i'm bringing forward to you today with mayor Potter is proposed contract to engage a team of attorneys who would represent directly Portland's interest and I think on our behalf, the interest of the ratepayers throughout the region. And despite a lot of I think well-meaning attempts to look at different models and all sorts of ways to approach this problem that just about everybody agrees is a Portland, Portland is the entity that's putting the money forward to say we're not just going to talk about this, we're going to step forward, put our dollars in place and make sure the protections that need to be there are there. We about this a couple years ago in very good faith with a local team of attorneys who are very smart, and smart enough they were hired by texas pacific shortly after. We I think made an

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admirable run, but what I learned is that we need a national caliber team, and not just in terms of brains or any of the other attributes that are certainly here in this town, but we need a set of attorneys who are very experienced and adept at working in the new york bankruptcy court who have handled at mergers and acquisitions at this level, who are adept in utility law, and we looked across the whole country, probably spoke with 20 or so firms and interviewed in depth for hours eight firms, and came to the conclusion that greenberg traurig, this is the team that I think is what we need, and they have teamed with garvey shubert as a local office, so we have Portland reach and expertise as well as a firm that's based in miami, new york, and chicago, and includes a team of senior lawyers, led by phil geldon, who have worked extensively with all of the creditors, with steve cooper, and both -- let's just say in all sorts of transactions, I think they're prepared to come in and make this happen, and do so in a way that will get their fees paid many times over by the savings that the ratepayers are going to get from this. That being said, Portland is stepping forward.

Portland is the entity that's paying for some of this, but we also have to be careful about how we do that. We selected the firm first, and I think that's important, and negotiated fees second. We got a fee proposal from all of the firms. This was the firm we thought was the best, and it turned out we were also to negotiate what I think is a very good fee arrangement for both sides. It's a little bit innovative, it's somewhat different than what you usually see, but what we wanted to do is come up with a structure that would limit the city's exposure for cash out of hand, that would incent the law firm to move as quickly and as expediently as possible to make things happen, would keep all control of every decision in the city council's hands with the advice of our advisory council, so we control 100% what happens from here on out. And at the same time, at the end of the day, gives a fair return to the ratepayers in terms of what they got. It will take just a second to make sure everybody, and I think the viewing audience should understand this. It's already been characterized wrongly in various meetings, and that's how things go, but I want to make sure it's clear, the city is breaking this into two phases. Phase one ends with either a decision by the city council to walk away, to begin a condemnation proceeding, or to reach a definitive purchase agreement. A definitive purchase agreement means exactly that, an a-z agreement to purchase the utility. Not an option, not a term sheet, not an exclusivity clause, a binding agreement on both sides. That agreement could not be reached until the city council had preferably unanimous and certainly majority vote that followed full public hearings on what this offer said, so essentially phase one ends when we say it ends. When we have an agreement that we can take to the public, talk about, defend, and support. Until that happens we're still in phase one. The firm will bill us at 50% of their going rate up until \$650,000. If we were to walk away tomorrow, we would owe them half of the money they spent up until tomorrow. Obviously that wouldn't be \$650,000. At the point of which they have accrued \$1.3 million in legal fees, which could happen, we would be capped at \$650,000. So the city's exposure, if it does not get a definitive purchase agreement that the council approves after public hearings, is \$650,000, period. Total compensation they could earn by closing the deal is \$7.5 million. So with the firm of this caliber, the fact they have taken an agreement that gives them only 8% of their potential fees, period, unless they get to success, I think is very telling as to what I hope our chances can be in this arena. They would earn a \$3 million fee for getting us the purchase agreement. So specially it's \$650,000 at the most if they don't get it, and \$3 million if they do. I think that structure is well within the realm, I spent a lot of time talking to a lot of experts, reviewing how much has been spent on legal fees on these types of agreements, and I think this is squarely in the ballpark, and given the cap at both 650,000 for nonsuccess and ultimately with a closed 2. Something deal, I think everyone agrees it will be over two, they would earn a total of \$7.5 million, which would be depending on how you do the comparables, probably more on the low end in terms of what could be spent on legal fees. If they do it quickly, they make more per hour. I think that's the arrangement that serves all of the citizens' interests. So I believe you're going to have to enter into a thoughtful but aggressive agreement like this to be successful in this

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situation. Enron has shown every ability to spend what it takes to defend their territory with no interest whatsoever in Oregon's ratepayers the health of our taxes or anything else. So I think the hope is that this will lead to a fruitful and friendly negotiation, and I think with this legal firm in place we'll have everything we need to make sure we're represented in a way that both is forward and backward looking in the sense that has what it needs to succeed and also learns from the last round of unsuccessful negotiations. I think there's something to be said from learning when you do not achieve a goal. We did press release this morning, it's -- that we have selected investment banking team. Our senior -- our lead senior manager is going to be -- goldman zach was a cosenior manager of the city bank group. We have two of the largest firms with the most expertise teaming up to take on the financing of this. The investment bank contract is not -- does not pay a nickel unless there's a closing, so it's a selection of ken rust's team, and we would enter into a contract at any time we're prepared to issue bonds. That was a competitive approach, almost every major firm applied, and those were the two that were selected. I think if you were to take the general sense and reputation of city bank and goldman and say they're putting their best people on this, you would be accurate. I believe the city now has a world class team that is prepared to bring this deal home, and lower the rates and bring p.g.e. Home for good. So with that, it's a little more long-winded than the council needed, but I suspect there are a few people out there who care about this and I wanted to give it some context. I thank you for your time, mr. Mayor.

**Potter:** Is there -- did you want anybody to testify from staff?

**Sten:** Just any --

**Potter:** Did anybody sign up to testify.

**Moore:** Not from this morning's sign-up.

**Sten:** Most of the core team is here.

**Potter:** I wanted to say that having sat down with the enron team last week, I think their desire is to move quickly and make a sale. Ours is to do that to ensure that we complete our due diligence and get the best deal for the citizens of this region. I think in the long run, this is a good economic development investment, and I strongly support it. Any questions from the rest of the commission? Or statements?

**Leonard:** Are we voting?

**Sten:** Yes.

**Adams:** I think it's important no matter how the saga of enron finally ends that we do our part to give the ratepayers options. And I think that this investment of taking this to the next step shows that we are serious as an option, it will help us complete the due diligence that I think is very necessary, and I think that commissioner Sten has crafted an arrangement with the firm that is very cost effective from everything that i've seen by comparison, and I will enthusiastically vote yes and thank you for your continuing leadership, both the mayor and commissioner Sten, on this issue. Aye.

**Leonard:** It's been interesting to me to listen to the community debate surrounding this issue. Sometimes I observe, sometimes I participate, in that debate. The argument that somehow p.g.e. is a private sector company and the city's not being friendly to business by attempting to acquire it. I do not know what people use as a definition of private sector companies, but a monopoly that has no competition is not my definition of a supply and demand driven kind of entity. It is a regulated monopoly, and there are some of us who become increasingly pained at the lack of effective regulation of that monopoly to the detriment of ratepayers in the city, low-income, and otherwise, and also this unusual coalition of industrial users and businesses. I would remind those that are listening to this debate that none other than the association of Oregon -- associated Oregon industries, a group that i'm very familiar with from my days in the legislature, who is known as the - - probably the most conservative business group in the state and effective, opposed the sale of p.g.e. to texas pacific because of the -- I don't know how else to put it, but the exploitation of their

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members by texas pacific -- excuse me, enron. And i'll tell you, I -- it's just amazing to me also that others haven't been as struck as I was by the tapes that were released here some time back of the conversations that occurred of enron employees actually sitting in our offices in p.g.e. Offices in Portland, laughing about driving rates up for little old ladies as they conjured up a so-called energy crisis. I am proud that I was one of three votes in the legislature to vote against the deregulation agreement in the 1999 session. Not because I knew that then, but because I didn't feel good about it, and I think i've sustained numerous times since. I am a person that believes that if you're not going to go to battle, don't go to battle. Stay home. If you're going to battle, you use every asset, resource, strategy, friend, and foe you can think of to help you. I don't believe in going into any battle with a hand tied behind my back. I believe that you use the best of the best, and you spend what it takes to win. Commissioner Sten has not let me down on that belief of mine with this law firm, they are the best. Eye convinced -- politically I probably don't align myself much with the law firm, but that's not what we're doing here. We're doing, we're trying to win a battle. And i've made clear how far i'm willing to go on that battle to acquire p.g.e. And I know that with this law firm, they understand what I understand -- you don't go in to lose, and you don't do anything to minimize your chances. You do everything to maximize your chances, and I feel really good about the direction we're going. My final comment will be, there is nothing that I would ever do on this council, I would argue there's nothing I can hardly think of a thing any action, any prior council in the history of this city has taken that could serve the interests of the citizenry more than the public acquisition of Portland general electric to end finally a century of that company being tossed around to the detriment of ratepayers. And I mean all ratepayers, industrial, business, and residential. There is no more important work I think that I will do here than being supportive of mayor Potter and commissioner Sten's efforts to finally end what I characterize as the madness. Aye.

**Saltzman:** I'm supporting this contract today, but I also would be remiss if I didn't mention I still have strong concerns about any use of condemnation or eminent domain, and that part of the scope of services of this contract. So -- but this is not the forum to really press that position one way or the other, other than to say at this point I would not support condemnation or the use of eminent domain, the substitution of a public sector monopoly for a private sector monopoly. The case hasn't been made to me yet. And I guess that's part of the other thing i've talked to commissioner Sten about, there hasn't been very much public debate about this issue at all. Maybe on blogs and things like that, but there's never yet to be a council session or a public hearing by the city council on this yet. And so until we have the proper due diligence, until I have the proper information to rightly conclude that even a willing acquisition is in the best interest in the long term, the debate hasn't happened. The debate needs to happen. But as I said, I can't see any scenario under which I could possibly support a condemnation or exercise of eminent domain. I just don't see the justification for that being here. But nevertheless, this is a comprehensive legal services contract and I will support it for that reason. Aye.

**Sten:** I've said my piece, I just want to thank the council for moving forward. I did want to say just to be explicit, I think this was in my comments that any decision, whether it was to move on a condemnation or purchase or anything else, would come back before this body with what I would expect to be a lot of public hearings. I would disagree with my colleague in the sense that there have been a lot of discussions and a lot of forums over the last three years on this issue, but in terms of the actual acquisition itself, that would of course, and I think commissioner Saltzman is right, have a very detailed public debate on the details of it. With that, I look forward to being back hopefully very soon with some progress. Aye.

**Potter:** I think our council send as very clear message today, that we're committed to the purchase of Portland general electric, and that our commitment is reinforced with this vote today, and also a desire to make sure that our citizens and the citizens of this region have reliable, low-cost power,

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and that all the benefits of running a utility such as Portland general electric flows back to the ratepayers. I vote aye. [gavel pounded] Karla, please read the next.

**Item 390.**

**Potter:** Staff?

**Ron Bergman:** Ron bergman, general services. This is the conclusion of a three-station remodel project that had considerable difficulties because of things that were discovered in the process of the construction, the council has amended the contract in the past to cover this amount, and it's just a report to council on the project.

**Adams:** What were the reasons -- first, what was the final nwesb?

**Bergman:** On this particular contract, about 9%.

**Adams:** Do you know how much was m and w?

**Bergman:** Approximately 2%.

**Adams:** And of the -- so the council has previously voted on the change orders?

**Bergman:** That's correct.

**Adams:** Ok. If it's possible in the future for these things that i'm inheriting in terms of consideration, if you could provide with that kind of background, that would be useful.

**Bergman:** Sure.

**Adams:** Looking at it brand-new. And then also on all of your projects that you're closing out, if you could be very useful to me if you could provide what the awarded amount for mwesb was broken out, and then what the final amount was, because on these change orders --

**Bergman:** Sure.

**Adams:** -- it would be nice to know if the minority and women-owned firms are getting some of the change order business as well.

**Bergman:** Ok.

**Adams:** I'd appreciate that.

**Bergman:** We can do that.

**Potter:** Any other questions? Karla?

**Adams:** Aye. **Leonard:** Aye. **Saltzman:** Aye. **Sten:** Aye.

**Potter:** Aye. [gavel pounded] Karla, please read item 391.

**Item 391.**

**Potter:** Interest rate? Could you come forward, ken?

**Adams:** Sounds scary.

**Leonard:** Sounds las vegas like.

**Ken Rust, Office of Management and Finance:** Good afternoon, mayor Potter, members of the council. The resolution in front of you this afternoon is for approval of an interest rate exchange agreement, also known as interest rate swaps. It would govern the city's use of those particular financial tools. I think i've had the opportunity to brief each of the council offices on this. They are complicated, they can be misused, and they can create damage. The policy is designed to keep us from doing that and to make sure we apply them intelligently. State law in Oregon was changed about a year ago and governments now in the state of Oregon can enter into these agreements. They've been used quite widely across the united states. We believe under the right circumstances, they can provide financial benefits to the city and we would like to have them available in our tool kit to use when we believe it's appropriate, and the policy will guide our usage of that.

**Potter:** Any questions?

**Leonard:** Come on, sam.

**Adams:** It's so tempting, but no.

**Saltzman:** Ken would lose you in a second. [laughter]

**Potter:** Is there anyone signed up to testify?

**Moore:** No one's signed up.



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**Potter:** Any questions from the council? Karla, please take the vote.

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

**Sten:** Getting lost by ken is an honorable profession. [inaudible]

**Potter:** Thanks ken, for all the hard work you do for our city. Aye. [gavel pounded] Karla, please read item 391. That was 391. 392.

**Moore:** They'd also like to have item 393 read.

**Potter:** Ok.

**Item 392 and 393.**

**Rob Barnard:** Good afternoon. Mayor Potter, commissioners. I'm robert -- rob barnard, I work for the city of Portland, office of transportation. This project is the east columbia-lombard connector. We've been in front of the council previously. It's a freight mobility project that will provide a connection between columbia boulevard and killings worth near i-5. It's a joint project with odot, the port of Portland, the city of Portland, and union pacific railroad. This particular project will improve the connection in that particular area, it services the columbia corridor industrial sanctuary, which has 50% of the land zoned for industrial use in the metro region. It will provide a safer access, the current intersection is listed in the top 5% of the state for accidents. So this project will greatly improve freight mobility, because industrial properties rely heavily on efficient transportation systems. It will also improve safety. In addition to that, it will also provide for improved neighborhood livability by reducing congestion and providing a better and safer access to the neighborhood to the south, the sumner neighborhood. It also provides some additional benefits by improving the bicycle and pedestrian access across the railroad tracks to get to the columbia slough trail, and to johnson lake. Currently there's no real viable connection there. The agreements in front of council today came after about three years of negotiation with the railroad. Union pacific railroad runs through the project and typically when you go to do -- build new bridges for a new undercrossing, you construct a shoe fly, which are temporary tracks. On this project that's about \$3.5 million that you would spend on temporary tax. After you're done with the project that gets thrown away. So we're looking for an opportunity to put that money into a permanent improvement as opposed to money that's just temporary and throw-away money. After negotiations with the railroad, we found an alternate location to put this essentially siting track to the east of the project, and union pacific railroad decided to chip in a couple of million dollars to extend that siting to make it long enough for unit train storage, and that will increase the rail capacity, provide unit train storage to the port's terminals and give us another edge in competing with the other pacific rim ports, because we'll have better rail access. So instead of taking temporary money and throwing it away, we found u.p. As a partner to combine our resources and make a long-term system improvement in addition to just building our road project. So the project really becomes truly multimodal, it improves rail, it improves freight, bicycle, and pedestrian access, so the mitigation agreement is a real win-win for the city and for the region. That's the first item. 392. 393 is the right -- the agreement that says we have the right to build the project to operate it, and maintain it, to have the permanent and temporary easements necessary for the new connector. It's actually exhibit 1 to the mitigation agreement. So they're really companion agreements. Any questions?

**Potter:** Any questions?

**Adams:** Just about noise, with some of these improvements, does that reduce the need for the train to make as much noise?

**Barnard:** Currently --

**Adams:** The whistle noise.

**Barnard:** No, because it's a grade separated crossing. So there's no need to blow the whistle --

**Adams:** So it --

**Leonard:** It's just changing how it's configured.

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**Barnard:** Currently there is no crossing in that location. However, the siting track is jointed rail, which makes a lot more noise, it clackamass. The new siting will be continuously welded rail, and that runs a lot quieter.

**Adams:** Thanks.

**Potter:** Other questions? Thank you. Karla, has anyone signed up to testify?

**Moore:** No one's signed up.

**Potter:** Any questions, council? Karla, take the roll.

**Adams:** I want to thank you, rob, for your work. Aye.

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

**Potter:** Aye. [gavel pounded] Karla, is it 394?

**Moore:** 393 roll call.

**Adams:** Aye. **Leonard:** Aye. **Saltzman:** Aye. **Sten:** Aye.

**Potter:** Aye. [gavel pounded]

**Moore:** 394.

**Item 394.**

**Vicky Diede:** Good afternoon. My name is vicky, i'm with the city of Portland office of transportation, and I am the city's project manager for Portland streetcar. Portland streetcar has been under contract to the city to provide technical and professional services related to planning, design, engineering, funding, and construction of the Portland streetcar. And the amendment before you today will continue that as it relates to the east side streetcar project or the potential for an east side streetcar project. Planning on the east side began in november of 2002. The then commissioner in charge of transportation appointed a steering committee in january of '03, and with members representing the lloyd district and the central eastside, congressman blumenauer's office, Multnomah county, metro, Portland, the p.s.i. board, and I think that was it. The committee was asked to prepare with the assistance of the office of transportation and our consultants, a recommendation for consideration by the city council through a preliminary assessment of various elements, including one of preferred alignment on the east side, two, an assessment of the public support that the project could expect, three, a public process as we continued through the work, and then a preliminary funding strategy, including the potential for federal funds. The steering committee hosted two public meetings open to the general public to present the technical information to solicit input from the public. In the end result of all of that was the east side streetcar alignment study, which the council adopted on june 25, 23. -- 2003. One of the results of that initial work was the recommendation that Portland streetcar seek federal transportation funds for the eastside project. Seeking eligibility to use federal funds brings with the it a rather rigorous process that is prescribed by the federal transit administration, and the first step in that process is an alternatives analysis. Already to date Portland streetcar has completed a prealternatives analysis, and we're now ready to go into the full alternatives analysis according to the federal transit administration rules. So the amendment will provide services for what we call the a.a. work, it will include and must include a purpose and needs statement, a set of promising alternatives, which will include a no-build option, a bus option, and a streetcar option, a listing of the evaluation criteria that we will use to evaluate the alternatives, a technical analysis that will include travel demand forecasts, an environmental scan, and an economic development analysis, a cost analysis, and public involvement. The result of all of that will be a locally preferred tentative that will then be taken into the national environment protection act process when additional funds become available. And it could well come to the world of federal funding. The funding for this alternative analysis work is coming from the Portland development commission in the form of tax increment from the Oregon convention center urban renewal area, and the central east side urban renewal area. There is \$810,000 that was budgeted in this current fiscal year, but it was conditioned on the office of transportation and the city, securing other federal funds for the eastside project. And p.d.c. now

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agrees we have met this condition. The new federal fund that's we will be receiving are there are two special purpose grants from housing and urban development in federal fiscal 2004, which total about \$288,000. There are two additional h.u.d. special purpose grants in federal fiscal 2005 which total \$573,000. There's \$1 million in regional flexible funds from metro's transportation priorities 2006-2009 program, and then there will be between 1.5 and \$2.58 million in the reauthorization of the federal transportation act. The act has been passed by the house. The senate is considering the act this week, which is really good because we figured if they didn't do it this week or next it was probably going to go into another continuing resolution. In the final amount that we'll come to the streetcar will be dependent on what comes out of the conference committee. And I would be remiss without mentioning that both congressman blumenauer and senator smith have been extremely helpful in supporting -- and supportive of us in getting these federal monies. That's kind of the end of my formal comments, but I would be happy to answer any questions anyone has.

**Potter:** Any questions? Thank you very much.

Thank you.

**Potter:** Has anyone signed up to testify.

**Moore:** I didn't have a sign-up sheet.

**Potter:** Is anyone here to testify on the streetcar? Karla, please call the roll.

**Adams:** I don't know if I have to declare a conflict because i'm on the board. I do have to declare a conflict?

**Leonard:** Oh, yes.

**Adams:** Am I going to jail in declaring a conflict, I sit on the Portland streetcar board of directors. Can I vote?

**Walters:** I believe you can once you've announced that you have the conflict.

**Adams:** Aye.

**Leonard:** I support it even though I don't sit on the board. Aye.

**Saltzman:** Aye. **Sten:** Aye.

**Potter:** Aye. [gavel pounded] please read item 395.

**Item 395.**

**Potter:** This is a second reading. Council does haven't any question, we'll take the vote.

**Adams:** Are we voting? I was busy getting chastised by commissioner leonard. I'm voting aye.

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

**Potter:** Aye. [gavel pounded] this is all the business for this afternoon. We're recessed until 2:00 p.m. tomorrow afternoon.

**Adams:** We're not doing that work session?

**Potter:** That's right. [gavel pounded]

At 2:40 p.m., Council recessed.

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**Closed Caption File of Portland City Council Meeting**

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

Key: \*\*\*\*\* means unidentified speaker.

**APRIL 28, 2005      2:00 PM**

[Roll call taken]

**Leonard:** Welcome, everyone. Karla, please read 398. We'll do all four at one time. 398, 399, 400, and 401.

**Items 398, 399, 400 and 401.**

**Leonard:** Thank you. Thank you, everybody, for coming. We have a great panel. I'll let you guys decide how you want to go.

**Brant Williams:** I'm going to kick it off. Brant Williams, director of the Portland office of transportation. Good afternoon, commissioners. And I'd like to introduce the two other folks here joining me. Mike Lindbergh, the chair of the Portland aerial transportation inc. Board and also Matt Brown, the city's project manager on the tram. It's really a pleasure to be here today. The four action items we're bringing before you have been long in making. We've been working on these for several years now, and this is a major milestone that we're bringing before the council today to move from design of the tram into construction. There's been a lot of work that's gone into this. A number of partners are here today to talk about some of the work that it's taken to get us to this point. I especially want to acknowledge the Portland aerial transportation inc. Board, the pati board, and the work they've done to deal with design and budget-related issues. Their leadership and the foresight they've put toward this effort have been outstanding, and I'm pretty confident in saying that we wouldn't be here today without the good work of the board. The four action items that are before you today really represent a number of commitments that are -- we're fulfilling today. The first one is a commitment to the south waterfront central district plan and the partners that we've been working with that are investing large sums of money into that plan so that we can implement one of the largest economic development programs in the city's history. We're looking at \$2 billion worth of investment in the central district. So this is -- this is a final major step in making sure that those commitments take place. We also have a commitment to the community regarding design excellence. With all the budget decisions that we've had to go through and the challenges that have been before us, the one thing that we haven't done is blink regarding the design excellence of this project. We've fulfilled that commitment, we believe, to the community, and what we're presenting today is a project that we can all be proud of and feel very good about. The final commitment is to the neighborhood. And making sure that as we move forward with economic development, growth, in this portion of the community, we're also fulfilling the commitment to the neighborhood to make sure that it's done in the most beneficial way, dealing with some -- some past commitments that we have maybe been slow in fulfilling, but we're moving forward on those now, and trying to make sure that, again, that as we move forward with economic development, we're doing it in a right way to protect our neighborhoods. With that I want to turn it over to Mike Lindbergh and he has a few comments as the chair of the pati board.

**Mike Lindberg:** Thank you very much. Mr. President of the council, members of the council, I'm Mike Lindbergh, here today as president of Portland aerial transportation, inc., known as pati, citizen volunteer board. It was formed a couple years ago and its sole purpose to really facilitate the design and development of the tram connecting OHSU and the waterfront. The board was formed to be representative of the community as a whole. When I first got involved, it was one of those things,

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you look back today, you get a call on your cellphone from pat lacrosse, would you be willing to help out on this board, sounds like a slam dumping. Several hundred volunteer hours later, of a challenging project, you look back and didn't know you were getting into what kind of roller coaster ride it would be, but know it's worth it for the city. I got involved frankly for two reasons. One was because I knew, as i'd mentioned to some of you before, in terms of job creation and housing and developing density within the city, and creating a new neighborhood, that this was probably going to be the largest project in a decade. And secondly, because i've been working with this neighborhood for, gosh, 20, 25 years, and i've seen it be dissected and chopped up by a whole series of transportation projects. I looked at it as good to have some people on the pati board who had a history of the neighborhood and what they've been through and what opportunities would arise out of this project to do some really wonderful things for them, to take care of some of their transportation needs, to connect them to the river. As you'll see from the presentation, there's a lot of parts of this project that will do that. So it isn't the tram alone. We have to look at this as the big picture, the long-term, what this is not only going to do for the city and the economy, what it's going to do for the neighborhood, in my belief. But we did really focus on excellence as he said, beginning with our international design competition. We've steadfastly clung to that objective. I can tell you, it's not always been an easy choice because of the costs that went up for a variety of reasons. There would have been temptations to sacrifice on that design. We didn't do that. I particularly want to thank Oregon health sciences university for stepping up at times when the cost did go up due to a whole variety of reasons, to sort of fill that gap without coming back to you and asking for general fund money in your very challenging times. I wanted to talk about the fact that the design quality has been honored, and we're proud that the surrounding neighborhoods are included. We've formed a citizen advisory committee, we staffed it well, starting very early on, pat lacrosse and I went out and met with all southwest neighbors, and I really wanted to thank matt brown for a lot of the work that he did with basically -- i'm literally talking about hundreds and hundreds and hundreds of hours working with the community that had a lot of problems with a variety of different things, and the kind of true listening that was done, c.a.c. report that you'll be hearing about, that incorporated many of their recommendations into our final project. And in fact, matt has been working right up to the last minute, as you know, kind of coming from the bureaucracy, there's dozens and dozens of things to get done. I met for the last two hours with vic rhodes, our executive director of pati board. He said matt brown's hair is on fire now. That means you're so busy, you've got your multitasking, his hair has been on fire for several months, then, as he's run trying to put this thing together.

**Leonard:** Mine must be a five alarm then.

**Lindberg:** Yeah, I was going to say tied in with the fire bureau in some way but I don't know if I can quite do that.

**Adams:** Reaching out to you.

**Lindberg:** We're particularly pleased, when I mention the neighborhood, i'll be very specific, the fact that we -- and the pati board has been very pleased. We've always had a partnership with the city, and had city staff attend. Commissioner Francesconi was the representative on the pati board, and commissioner adams has taken his place, and has attended every meeting and is deeply involved in every aspect of this.

**Leonard:** You don't say.

**Adams:** I have to declare that as a conflict, by the way. Don't let me forget.

**Lindberg:** And one of the things, for example, I know, sam coming along, there were some commitments that were made to the neighborhood, many of the -- all of you supported them, having to do with purchasing houses, things that commissioner Saltzman was working on, and commissioner adams, everything from public art to making sure that we got a pedestrian bridge over interstate 5, that he's made sure, and that this final package, as we move into -- he's made sure

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that actually we're moving now into the design process for that pedestrian bridge, over i-5 so once that federal transportation bill is approved, we'll have completed that final package to make the connection. The tram board -- i'm going to mention just a few people, so you know the kind of people involved in this. Obviously we had the stakeholders from ohsu, we had pat lacrosse, barbara walker for most of this time, jim gardener, john perry. It's been an amazing group of people who have worked together. I have to be honest when I say I had no idea what I was getting into, because of the cost increases and the need -- and greg bald win, I need to mention his name -- the need to do a lot of value engineering, there literally have been multiday conferences to go back and look at every single dollar of what was being spent on this tram to make sure that we were getting the lowest possible costs that we could. And tram board members have volunteered their time, along with our project manager, done irvin, vic rhodes, and others to participate in those. It's pretty amazing the amount of time frankly that's gone into that. The other -- you know, we're going to kiewit construction, a map about a lot of the details -- presentation by matt about a lot of the details. I want to thank you for the opportunity to be part of something that will change Portland's landscape forever in a very positive way, because I do think this will be a landmark tram we can be proud of, and that we will have done some positive things for the neighborhood when all is said and done. And having said, I will turn it over to matt.

**Leonard:** Thank you, mike, for your work. You're truly a civic treasure for Portland with all of the experience and excellent work you bring. I, as you know, consider you one of the best folks i've ever had to work with. So I really appreciate you volunteering for this.

**Lindberg:** Thank you.

**Adams:** Hear, hear.

**Matt Brown:** Good afternoon. My name is matt brown. I'm project manager with Portland office of transportation. I believe that our system isn't working today, so i'm going to have to use flowery words.

**Adams:** Can you do an interpretive dance? "this is the tram and --"

**Brown:** I will. I'll be moving away from the microphone. So it's one or the other. [laughter] so forgive me as I go along and try to describe it as best I can kind of what's happening without my visual aids. Just a quick overview, I want to give you a little bit -- basic background of the project, where we're currently at. A little bit of a status of where we're at with the neighborhood improvement program we've been working on, and then the actions that are in front of you today and what we're asking you to take action on, where the guidance is we need for this. Would you prefer to take a break or should I keep going on?

**Leonard:** Just keep going.

**Brown:** Ok, good.

**Leonard:** We have great imagination.

**Brown:** I'll try to inspire that, then. A few years back we started looking at how south waterfront could be developed and what could get things going down there. At the time we thought about looking north, in terms of connecting to the central city. It wasn't until we turned west and began to look at the hill that we began to understand how that could happen. Obviously connections are a key part of that. And as the marquam hill plan progressed pdot became involved, developed a process for how we could look at connections between marquam hill and south waterfront. We developed a process for that, essentially had five steps to it. We're in the fifth step of that process. Each step has required council to take a look at the work that's gone on and to basically guide the project going forward. Every time there was a chance, you know, an up or down vote on that, yes or no, should we continue to proceed with this or not, and we're at that last piece right now, which essentially is to approve the final contracts for the project, and to move it forward into construction. So at this point we've developed this process obviously with a lot of participation from the public, worked a lot over the last couple years with especially folks in the south Portland area, lair hill,

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those areas, to develop a plan for this. Worked with the design commission in terms of the design of the tram. We're not done with them yet, either. We'll be going back at least another time to keep working with them on what the final product of this is going to look like. So we've really tried to hold, you know, as Mike and Brant said, a very high standard for this project and try to meet that in terms of expectations of council, of the community, for what this project should be. With that, let me describe a little bit about where we're at with the project. I think last June we presented a report to you that was accepted by resolution. Essentially had design of the project in there. We've been through a lot of struggles over the last year, but I'm pleased to say we've maintained that design. There's one exception in terms of the design product, and that has to do with the way the lower station is being designed. The canopy for that has been lowered. We heard some concerns about how that was going to impede views down Gibbs Street, you know, kind of a public view corridor, things like that. Also, I think it just will provide better shelter at the lower tram station. So that is the one thing that's kind of changed in a -- in maybe the most dramatic way, but everything else has been very consistent with what we presented to you last June. So we're happy to be able to move the project forward, basically as it was conceived and presented to city council for your approval last year. Thinking through a little bit about where we're headed, then, the budget for the project obviously has gone up. We've recommended a budget of \$40 million. Now that budget includes, we've estimated, about \$34 million of that is what's called a tram. It's what it takes to build the structures, move the tram up and down the hill. There's another about \$2.2 million within that \$40 million budget, what's called a nontram related costs. These are costs associated with undergrounding utilities and then providing streetlights, and street trees in the Gibbs Street area, in the Lair Hill neighborhood, or building the two blocks facing Gibbs Street between Macadam and Moody down to the tram landing and beginning to set up our work for the pedestrian bridge that we're going to follow on that. So there's that piece of it. We've also reestablished a contingency, bringing us to the \$40 million number. OHSU, I think, has been a great partner in this. They've stepped up and agreed to finance that additional \$11.5 million, the 28.5 million from where we were before, to the \$40 million where we are today. They'll be increasing their assessments on Marquam Hill to accommodate that. I want to talk a minute about risk management from a few different perspectives. One from safety. I just want to emphasize, we've actually adopted and incorporated the yet-to-be-released national code for tramways on this. So it has a few safety upgrades, even over the one that, say, we would be pointing to as the adopted code today and we're using that. We've also really tried to -- we've gone through a very strenuous exercise in terms of ensuring that the structural criteria for the project and the interface between our design team and the tram supplier have been very solid. And we've got a document about this thick of all the -- all the issues that the teams have countersigned to ensure that we've done our work on that. So we feel very confident it's going to be a very safe system, very reliable system for future use. Also looking forward, in terms of budget risk, you know, there's never any guarantee out there about where things are going to happen, but I want to point out a couple of the things that we've been harmed by in the last year. Foreign exchange rate and steel prices. Upon execution of our contracts, foreign exchange rate will be locked in, and there will no longer be a risk associated with that. We'll be locked in on that and we can basically set that aside. Again, the same thing with steel price. We're going to order steel very early on on this project, get delivery early, and again the sooner we can move forward the sooner we can mitigate those risks and get them out of the project from a budget standpoint. Third obviously is the contingency for the project. That's important to keep us within our budget. Let me shift now to the neighborhood improvement portion of this. And I think we've been working pretty hard over the last year to try to move a number of these projects forward, and I just want to be able to highlight some of those. I think walking in, I want to say a couple words about the strategy from the beginning on this. A lot of times, public projects, people want you to go in and do mitigation. Mitigation is a box that gets checked on a project manager's form for something I have to do. Once

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I do that, then I can go do my project. I think we want to take a very different attitude at this project. We wanted to look at how this tram could leverage a neighborhood that we want to see down here and that the residents want to see. From the beginning we rejected the notion of mitigation in its classical sense and instead worked with the neighborhood to create a vision for their neighborhood that we all could buy into and move forward with that. With that, the plan we presented to council last fall contained a number of different ideas in there, a lot of great ideas to move the neighborhood forward, and to create a truly livable community. The progress that we made over the last few months, i've been particularly proud of. We have, on the resolution in front of you today, we're asking for a commitment to move forward on some specific items for the neighborhood, including beginning the design of the pedestrian bridge this year. The p.d.c. has money available within the development agreement budget to do that, \$2 million within that budget. So we're going to be able to move that project forward today. The other thing that we're excited about are the things that have actually started to happen, you know. We've acquired the property on marquam hill. We've begun to establish -- I say we, I mean this is we as a city, ohsu, other partners that are helping implement this vision. Ohsu has begun to build two trails that are on our list that will begin to connect terwilliger boulevard up into their campus. The sixth and sheridan intersection improvements at the north end of terwilliger parkway. These are all things that have begun to move forward. We're particularly excited, though, about the potential to finally get our transportation bill through congress. There's a \$9 million earmark in that for what is called south waterfront access improvements, and all the partners agree that needs to be used to help fund the pedestrian bridge. And hopefully, it's supposed to go to the senate this week, it's already passed the house, and if they don't shut down we should be ok. But we'll see how that goes this week. The other piece of that is that the pedestrian bridge is about a \$5 million project, is what we estimate right now. And if we're successful in getting the \$9 million earmark, that leaves money to work with. We've suggested that we should move the south Portland circulation plan forward and begin an environmental impact statement and preliminary engineering for that, in conjunction with the other improvements to macadam avenue. Tie those together as one transportation process and move that forward. So that's another thing that we're excited about that we are seeing move forward. Third, I mentioned earlier that we've added the improvements along gibbs street, undergrounding utilities, putting in new streetlights. We've -- that's really been a recent addition. I think part of it is due to the realities of how the diagram is going to be constructed, but not all of that project is -- is just about the tram. And I think there's -- there's an opportunity there for us to take advantage and as part of the tram project to move something for gibbs street that really is going to enhance that street. Last couple items I want to mention on here. Last june council directed us to establish a voluntary buyout program for residents on gibbs street. The direction we were given is develop a one-time program, limited term for -- and this is for residential, owner-occupied properties along gibbs street. And we have begun to develop that. I think in the past few months in talking with property owners, others interested on that, you'll hear a number of issues today i'm sure as people testify on that, but we've begun to develop a concept for that, and what we need today I think is the direction, based on the testimony you'll hear, and where we are at today, truly what is the geographic boundaries of this, you know, what is the timing of this? Is it one time or is it multiple times? Is it right after the contracts are approved or is it after the project is constructed? And so I think we need some guidance on that. With that guidance, then, we can finish the development of that program and implement it beginning this summer.

**Saltzman:** We already gave you the guidance, that it was to be one time, gibbs street alignment only.

**Brown:** Correct. That's what i've included in the resolution. I'm just anticipating that what you're going to hear today, and so, again, I think it would be helpful for us, if that's still the guidance, it would be helpful for us as we move forward to make sure that's the case. So, again, we'll be hearing



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a little bit about that. I do want to describe conceptually how that program is going to work, because it's pretty important. Again, this is a voluntary buyout program, so we're not coming in, we're not going to force people to sell their houses to it, but if they're interested in selling their house this is an opportunity to do. I'll walk you through five basic steps. First is to determine the interest that's out there. We've identified about 22 properties that are eligible along gibbs street who could participate in this program. That's going to need to be firmed up, but that's what we see right now. The next step is that once people say, yes, we're interested, we will then inspect and appraise the participating properties. Our instructions to the appraiser is to ignore the tram. Consider the neighborhood as it is today. Don't think about what the potential negative or positive impacts really are going to be of the tram, just fair market value of this property as it is today. And based on that we would make a fair offer, and if it was accepted, enter into a purchase and sale agreement with the property owner. The thing ma may be different from the last time we talked about this, is that we're also suggesting that we're going to try and facilitate a sale with another private owner, so that we're not actually involved in the transaction. We can maybe bring another buyer to the table, either through a sealed bid auction, or if we only have one or two properties, we may just broker is ourselves. But what we're doing is guaranteeing a price to the property owner that's fair. So even if we can't reach that full price, they will get the full price coming out of our purchase and sale agreement. But I think if we can stay out of the ownership realm, I think that will be a more efficient way. And hopefully we can actually get the owner more than what they'd expect.

**Leonard:** That is not what we suggested.

**Brown:** It's not, no, that's correct.

**Leonard:** I know it is. I'm saying, that's not what we suggested. And to remind the new members - - or actually to inform the new members of the council, this is an idea I brought forward, because the neighborhood was suggesting that the tram would diminish the value of their homes. I don't believe that's going to be the case. I think that what -- in fact what we're going to see, and i'm certainly no economist, I think we'll see this a neighborhood that will probably be one of the most attractive neighborhoods in the city in terms of people wanting to live there, in order to be able to effectively address that concern, what I recommended that we do is buy the house if they think it's going to diminish the value, we'll buy it. And I don't think it hurts the city to buy those houses, because I will predict to you we can't get hurt from buying those houses financially. When people analyze the forces at play with the construction of the tram and the development down on the waterfront are going to realize that they have kind of a gold mine going on there, that there are going to be -- although people that live there now, may not like the idea, there will be others tremendously attracted to live in that neighborhood. So I don't want to include impediments to something we committed to, such as we're not going to literally buy the house ourself if somebody wants to sell it, I think we ought to do what we said we'd do and buy it and hold it. I'm sure we're not going to be hurt financially.

**Brown:** I mean, i'm not suggesting that we wouldn't buy the house. I'm just saying if there's another party to buy the house at the fair purchase and sale agreement, then we can facilitate that. If there's no one there, then we'll buy the house.

**Leonard:** I actually think as a practical matter, this is a program nobody's going to want to take advantage of. I could be wrong, but I don't think --

**Sten:** I did meet with a chunk of the neighbors, and do think some people do intend to take advantage of it.

**Leonard:** Which is fine. I think that's absolutely --

**Williams:** Of course our goal is to try to minimize our work in the property management area. We don't really have expertise in that area. If there was a way we could transfer it right over to another willing buyer --

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**Leonard:** I don't want to change what we originally said we were going to do -- I mean, I don't want to say to somebody, well, we can't go through with this deal because we can't find a party to buy your house.

**Brown:** And that's not the case at all. If we can't find the party, then we will buy the house. That's our purchase and sale agreement.

**Leonard:** Ok.

**Brown:** I think, you know, again, all we're trying to do is just maybe make it very easy transfer, keep us out of the loop as much as possible. If we need to buy it, we'll buy it.

**Leonard:** Ok.

**Adams:** If I could follow up on that point, because I agree with commissioner Leonard in terms of the future appreciation of this neighborhood as an equity appreciation, that potentially with this approach we might be able to have a phase one and if we're able to find suitors to buy directly, where our money doesn't have to be used, and there are other people in the vicinity that may be slightly outside the strict 22 parties we've identified, if there's money available to purchase outside of that, as defined by council, to be defined by council, we could at least possibly explore that, right?

**Brown:** It's possible. I think, again, we need to get the direction today from council about whether -- you know, what the extent of the boundaries are.

**Lindberg:** There's some other citizens who have different views.

**Adams:** Ok. What's the pool of money you're using to purchase the houses?

**Williams:** We're using the funds that transportation has available to us as mitigation for the tram project.

**Adams:** Ok. Thanks.

**Brown:** And I have some staff here, as well, who have been working in more detail on this, so if this comes up later as well, they're available to get into more of the details if you want. So let me -- just to wrap up, I'll talk about the decision package that's in front of you. You have three ordinances and one resolution. The ordinances are essentially the three contracts required to take us through construction of the project. Doppelmayr Kiewit will stall and manage the tram equipment. Kiewit will be the cmc for the project and essentially provide the three structures for the project. There's a critical interface between them, and we've been working together to define between them. We're also approving a contract amendment. This would bring the design team in through the entire construction phase of the project.

**Saltzman:** What will it cost, all those contracts?

**Brown:** The total contracts, the Doppelmayr contract, it's around \$10 million. The authorization on Kiewit Pacific is at \$19.7 million. The contract amendment with Pati is an additional \$660,000, somewhere in there, I believe. I have it back at my chair. All three of those are within the established budget, still with contingency residing outside of that as well still remaining. The fourth element was the neighborhood improvements resolution in front of you. I think there's some things that we obviously need to return with. We've suggested what those are and the time frames for returning, for instance contract for the pedestrian bridge or the actual ordinance to enact the Gibbs Street buyout program. So those would come back I think as separate actions. I think you'll hear a lot and -- we drafted the resolution three or four weeks ago, and I think as we've continued to kind of work with the neighborhood on some of the issues that are in there, so you'll probably hear from a number of them and some other things that they would like added or other commitments they'd like to see put in there. We've tried to work with them. We'll respond to some of those and let you know what we've been thinking. There's a lot of good ideas that you'll hear today to be presented. Schedule moving forward, as soon as we can get the authorization for these we intend to execute the contracts, still have a couple of attorney approvals to get on these, but we will essentially move those forward as soon as we can and begin to order tram equipment and to get the early bid

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packages out on the street so we can begin the project. The goal is that we're complete by september 30 of 2006, which is concurrent with the opening of ohsu's first building in south waterfront. So it's critical that we keep those two marching together and that they open on time. So with that I think i'll wrap up. Probably have a number of people that want to say a few words, so thanks for your time.

**Lindberg:** We wanted to make room for citizens. If you have questions of us, we knew there were a lot of citizens wanting to testify.

**Saltzman:** What's the minority women/e.s.b.?

**Brown:** The goals for the project are 35%. We've also incorporated the work force training goals that p.d.c. established through south waterfront development agreement, that is that the work force composition be -- the goal is 13% minority and 5% women in the work force, and that's overall work force, not apprentice. We've incorporated those goals into that. The mwesb plans, we're still working those out, but the basic components are pretty straight. The thing to keep in mind on the kiewit contract is all the work that is currently in there is going to actually be market bid. And so as we go through that process we'll be identifying, especially those packages that have the best opportunity for mwesb participation and making sure we're able to get good feedback and response back on those. We have pretty lofty goals on this, and I think the plans are beginning to reflect how we're going to get there.

**Saltzman:** And what about for doppelmayr?

**Brown:** That's the same thing. \$8 million is in switzerland and \$2 million installing it here. There's a lot of specialized stuff. They will be bringing crews from switzerland to do the specialized work, but they've identified all the subcontract packages that they believe are there. You know, I don't think there's any package -- I think the highest volume package is about \$65,000. But there's a number of kind of smaller packages. And we'll be, again, targeting those out and seeing if we can get some good participation on those.

**Lindberg:** I do want to respond also in terms of the \$40 million project, \$3.6 million is in a contingency, which we think is -- we've been working in terms of the price of steel, all these different things. So the last thing before you bring your citizens up to testify, as chair of the board of pati, I want this project to be run so well that you could go back to your office, put on your calendar, september 30, 2006, that you're going to -- you're all going to be advised of that first ride. You have total confidence and jump on the --

**Saltzman:** The very first ride? [laughter]

**Lindberg:** When you see the number of double ropes and safety we've put into this thing, you'll want to go on the first ride.

**Leonard:** Yeah, I don't know.

**Lindberg:** We've hired some project managers, that I mentioned before the mayor came in, extremely impressive in terms of -- of a very tight schedule. So frankly we hope that the issues that you hear from citizens today are things that can be resolved and that this can be voted on, move ahead and have the tram open when these buildings do down there. We recognize you need to be sensitive to what you hear, but we hope to resolve these.

**Brown:** There are team members here, and I want to make sure you understand who they are, because you may be talking to them soon. Carl schultz with ohsu is back there. He's been a tremendous help over the last six months. We have mark williams with ohsu as well has been part of our team. Where did bob elliott go? He's with kiewit pacific as the project manager. And don irwin in the back, with tri-met, but we're stealing him for about 18 months here he's our contract manager, excellent manager for this. He managed the interstate light rail project and a number of other key light rail projects around town. The v.a. bridge at one point, so he's familiar with the conditions. We have a great team. And art pierce, as well as with pdot has been a great, great helping as we've been working with the neighborhoods. So it's been a team effort. It's been a hard

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road, but we're really pleased with where we're at today and glad to be here for your decisions.

Thanks.

**Leonard:** Thank you.

**Sten:** You may have mentioned this, but there was an amendment that was sent from the homestead neighborhood.

**Brown:** Yes.

**Sten:** Did we incorporate that?

**Brown:** No, we haven't yet. I worked with him on that. Makes a lot of sense, and I think we should incorporate it.

**Sten:** Before he offers it, you're --

**Brown:** Yes, yes.

**Sten:** Great. And then this is just a longer thing, but I thought i'd get it out there before the testimony. When we get -- i'm very excited to have the pedestrian bridge funded. I think that's both a substantive thing that's going to happen and a show of good faith that we're serious about getting the neighborhood improvements done. The group that I actually met with was a play group of mothers and fathers and babies, and they all live right around there. And we looked at -- it's going to be really terrific, actually, because it's going to allow all of these families, and many are excited about it. One or two do want to sell, but many are excited to walk over the bridge and go down to a nice park that doesn't exist. What I was concerned about, we literally could not get across kelly street. Maybe because people wanted to hit me, but -- [laughter] we waited for close to -- I may be exaggerating this over time in my head, but for five, 10 minutes, myself, six parents and six babies.

Take me out of it, a reasonably sympathetic group, it should have been us. This was 4:30 on a friday, so it was a bad moment, but literally i'm worried that we'll have to do something on that street to get people across it safely. There are now a lot of kids moving into that area. Part of the idea is to get that down there. I wanted to get that on the table and say let's look at that.

**Brown:** Two things on that. One obviously that's a key part, how the pedestrian bridge moves forward, because we want that to be a safe place to cross and effective way to cross. The second I think is we have \$150,000 budgeted right now for what's called the corbett traffic calming project. I think what we've suggested to ctih that we expand the scope of that a little bit to incorporate kelly avenue, a couple other things. There's also concerns about future cut-through traffic in the neighborhood to south waterfront. I think to be able -- to maybe take a step back here, be able to address those things, would be a good idea right now.

**Sten:** Yeah. And obviously whatever we do will have impacts on the neighborhood, but at least a button you could push to request a stop or something, because there's no way.

**Lindberg:** Yes. I've been there.

**Potter:** Other questions? Thank you, folks.

**Brown:** Mayor Potter, before staff leaves, you have before you substitute exhibits to items 400 and 401. Do you want to move to substitute those and get those on the table now?

**Potter:** Do I hear a motion?

**Leonard:** Sure. I'd move to substitute -- can we do both at once, kathryn? Two separate motions?

**Kathryn Beaumont:** You can do one motion.

**Leonard:** I move to substitute amendment 400 and amendment 401 into the resolutions.

**Adams:** Second.

**Potter:** Karla, please call the roll.

**Adams:** Aye. **Leonard:** Aye. **Saltzman:** Aye. **Sten:** Aye.

**Potter:** Aye. [gavel pounded]

**Leonard:** Sorry, I said resolutions. I meant ordinances.

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**Potter:** Thank you, kathryn. Do we have other staff before we start calling up the list? Ok, Karla, please call up folks signed up to testify. Thank you folks for being here. When you speak, please give us your name and you each have three minutes. Thank you.

**\*\*\*\*\*:** Mayor Potter and fellow commissioners, glad to meet you -- or see you here today. Erik, I just wanted to add that your experience --

**Potter:** Give us your name.

**Don Baack:** I'm sorry. I'm don baack, hillsdale. I've been here before. Erik, your experience I just wanted to tell the story so fast I got carried away. Your experience crossing the street down there is typical of all of our streets in southwest. It's not there. Every street's that way. So anyway, first of all, the buyout program I think is -- I'm sorry --

**Sten:** Should we just ban all cars in southwest?

**Baack:** Well I don't think that going to work either. I want to say first that the buyout program is fair and equitable, but I would suggest one thing. You might look at corporation relocation consultants. They do this all the time and that might be a way of facilitate that. I think the first priority for mitigation issues or things that will improve the community locally as well as improve things for southwest is that pedestrian bridge. That's the first priority, I think. Anyone that looks at the problems you've got, not even across kelly, but across the freeway, that's extremely important. That said, there's another \$4 million or so that's being discussed for a study that would include the whole transportation system, and I think it's extremely important we do this. The southwest circulation study in my opinion has serious flaws. Let me tell you why. Effectively shutting down naito to two lanes, one each way, will cause great problems on barbur. That whole study was done without looking at the effect of the additional 10,000 people, whatever it's going to be, that grows everyday in that south waterfront area. And that's going to have a lot of traffic impact, both on the ross island bridge and elsewhere. And the whole thing where we had in the south portland circulation study at citizen's insistence by the way to include the connections to i-405 and i-5 to connect to the ross island bridge and south waterfront were largely sketches. There wasn't a lot of work done to looking at that thoroughly. It needs to be done. I would include this study that -- matt would be doing. Hair on fire, I don't think typifies matt, he's the coolest guy I've seen on city staff anywhere. But I think he, drawing that from southwest sixth to the river and from basically market and clay all the way to probably hamilton, and looking at that whole flow, including bancroft on macadam, looking at how all that works together is extremely important. I've been more than a little involved in this and I don't understand it now and I don't think anyone else does. And now just a couple things where it doesn't pass. I've already sat through four and five signal changes at sheridan and barber when i-5 wasn't shut down. If it's shut down at the terwilliger curves, a huge impact of traffic there. Finally, just because I -- the trails are an aspect of this, I welcome the looking at the various trails aspects there and participating with the people -- or the staff working on that. Thank you.

**Potter:** Thank you.

**Adams:** Thanks don.

**Larry Beck:** Mayor Potter and city commissioners, larry beck. I live at southwest corbett and gibbs. Nice to be here today. I have a summary handout that Karla's handing out to you that deals with a summary some of the neighborhood improvement resolution ideas. Many of these have been vetted out through the pati c.a.c. And some have come up recently in neighborhood meetings that were envisioned as part of the pati plan that you approved last year in june, both in terms of studies and additional projects. I just want to hit a couple of these real quickly, and then craig rolen can deal with some of these, as well as other neighbors who will be here. This will be the second time, commissioner Sten, dealing with kelly avenue. In meeting with neighbors, one of the issues certainly is current traffic issues now on kelly avenue and corbett, and issue that we can try and deal with current traffic, and also the expected increase in traffic we'll get with development of south

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waterfront. If we have a pedestrian bridge and it is a priority, we may get funding, how do you cross that safely? We have to do something to deal with that, both for safe crossing, but also for people dealing with regional traffic that cuts through that neighborhood and should not be on a neighborhood street. South Portland circulation study will deal with that, but that could be 10 or 20 years out, and the neighbors are crying for help now so it can be livable on that street. So were hoping and Matt mentioned the \$150,000 for a study and some improvements. I think we're going to need more money than that. We're hoping that perhaps some of the \$9 million we may get from the senate could be devoted toward some of those interim improvements that could dovetail with south Portland circulation plan as kind of an immediate need before the big money. The pedestrian bridge is a very high priority for residents in the immediate area and in the entire Corbett-terwilliger lair hill neighborhood. I believe and certainly matt can help correct this that we may have \$2 million already identified in the development agreement for the bridge. We may have \$2 million plus this other \$9. So that might give us some additional money to devote toward the south Portland circulation study, engineering, and the e.i.s. So hopefully there will be additional money for that. Don's a good friend of neighbors and trails and the like, but do remember that you approved south Portland circulation study four years ago, so now we're looking for the funding to make it happen. We're just looking to move that forward. Utility undergrounding. This is something that could provide a real benefit to people in the neighborhood. Currently we're talking about utility undergrounding only along gibbs street, primarily as a construction -- construction need to string the cables. It would provide a benefit to people in the neighborhood if you could expand that area in the - - expand the utility undergrounding in the entire tram impact area, this one block either side. We're getting huge cables coming in, huge utility. At least we could to is get rid of some of the existing utilities. If you could do that in the impact area, perhaps extend it down corbett as well, neighbors have identified that as something they'd like to see. Streetlights are great. We'd like to see that. I'll finish real quickly. The 1% for the arts issue has come up. I know that this only is related to the city portion of the project. We don't want to see all the money get spent up at the hill or down in south waterfront. We want to make sure that some of that money gets spent in our neighborhood, whether it's tied in with the bridge are the neighborhood in between. I think it's only fair. We've got \$40 million budgeted for the project of building the tram, but very little that's going toward actual neighborhood improvements. I hope that we can take some of these neighborhood ideas --

**Potter:** You have to wrap it up, sir.

**Beck:** I will sir. Thank you. Plug it into the resolution, perhaps come back in 60 to 90 days to have a firmer plan for the neighborhood improvements and a path towards funding. Thank you.

**Potter:** Thank you.

**Craig Rowland:** Good afternoon, mayor Potter, commissioners. My name is craig roland, 039 southwest gibbs. I was going to speak about kelly and about the undergrounding. I know exactly what you mean, erik, i've run across that street many times myself. Another thing that nobody's really addressed or nobody's spoke of, although it may be in some of the reports, is access into the neighborhood via automobile off of i-5 southbound, basically coming on to hood. If there's going to be another, you know, 10,000 people living down -- living and working down in south waterfront, right now it's difficult to be able to charge across three lanes of traffic, moving left to right, to try to get one of the streets that we can into the neighborhood. If there's that many more cars, are we going to be basically having to drive all the way to johns landing and then come back up corbett just to get into the neighborhood coming from north to south? Just a thought, thought you'd like to hear that. As far as the undergrounding goes on the funded pdot list, it shows that as being a neighborhood improvement. Most of us in the neighborhood have looked at that and really think that should be considered as a construction cost rather than as a neighborhood improvement. If it is a construction cost, it seems to us that that would free up \$750,000 that might be able to be used to

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extend the undergrounding both one block or more north and south of gibbs. This would allow us to be able to perhaps even go all the way to curry street, which is where the substation is. I think you'll find that by talking to people in the neighborhood that the main thing that people want is to have those undergrounded as far north and as far south as they can get. That's the extent of my comments. Thank you.

**Potter:** Thank you very much. I'd also like to thank the parents to brought their children today. This is bring your children to work day, so thank you for doing that. Thank you for being here, folks. When you speak, please state your name. You each have three minutes. Go ahead.

**David Schwindt:** My name is david schwint, 3614, southwest corbett, and also 3417 southwest corbett. Born and raised in Portland, currently a c.p.a. with my own practice on corbett avenue, and I'm also the newest board member to the ctlh neighborhood association. Today I want to talk to you about this vision that you've had for a long time about south waterfront. The way I look at this, though, is not only south waterfront, but the vision for me also includes the corbett avenue neighborhood. And so you have Portland's newest neighborhood, south waterfront, connected to Portland's oldest neighborhood, the corbett area. So as I look at this -- and we look at the improvements that are happening on gibbs street -- this is going to be a wonderful street after we had all these projects on the street, but it's going to stop right at corbett avenue. And so what we're thinking is that if you can extend those improvements up corbett avenue north of hamilton, that would give a better appearance for the whole neighborhood. Also, the funds that are coming in from the federal funds could be used for some of the improvements on corbett avenue. As matt indicated, we could use some of the \$150,000 that is currently allocated for traffic calming at corbett avenue to also fund a design review for the improvements on corbett avenue. So to end this, the ctlh board would like to be involved with the interim task force to coordinate support and identify funding sources for neighborhood improvements. So big picture, if I leave with you anything today, it's look at both neighborhoods together. Let's come up with the crown jewel of Portland that includes both the south waterfront neighborhood and also the corbett neighborhood. Thanks.

**Adams:** Thanks.

**Negar Heckscher:** Hello. My name is negar heckscher. Thank you for listening to our concerns. I live on 3325 southwest water avenue. My house falls at right of the edge of where the undergrounding ends. I wanted to emphasize how important that is, even to the rest of the people who fall within the tram impact area, however are not within the half a block for the undergrounding of the cables. In addition to looking completely different halfway through the block, with the rest of the houses, because we will now have the utility lines across the houses, in order to be able to put the lines underground and then bring them back up, they're going to have to put down these very big poles, as I understand, to bring all these cables back up to the level of where the other lines are. And these poles are going to have to stand at the property lines of some of these houses. And it is a big concern for some of us, as to how this is going to affect the look of a neighborhood that's considered historic, all these historic homes, that's why people move there, is because of the look and the feel of this historic homes. And here we have -- we're going to have these big metal, if I understand correctly, can be up to two feet across, poles that contain these utility lines. It would be a great improvement to our neighborhood if you can extend the undergrounding of the lines to the substation, another block and a half away. I just wanted to emphasize how important that is to our neighborhood. Thank you.

**Potter:** Thank you.

**John Perry:** Good afternoon. My name is john perry. I live in the lair hill neighborhood at 3430 southwest first avenue. I'm a member of the pati board, but i'm speaking today as a lair hill resident and someone active in neighborhood affairs for a number of years. I urge you to adopt this resolution. Matt has explained that there may be some minor changes to it, but i'd hope that they're

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minor in nature, because i'm particularly pleased with neighborhood improvement proposals. Gibbs street pedestrian bridge, undergrounding utilities, ornamental streetlights along gibbs, tree planting extending along gibbs, and extending two blocks north and south of gibbs, which would incidentally include my house. Most of all, by adopting the resolution, council will reaffirm its support for the south Portland circulation study. The council approved this project in august 2001, and the -- as matt brown mentioned, funding for the first phase of that is part of this transportation reauthorization bill that's in congress, and we expect to see that money. So that this is -- the train has left the track, we think, and -- but I think it's important for the council to reaffirm its support for this at this point. This has been a dream of our neighborhood for about 30 years. This goes back to the mid 1970's, the idea of removing the ramps to the ross island bridge, returning naito parkway to its original function as a neighborhood street. So the council of today can take yet another step down that path, and we urge you to do that. In response to the comment that -- that commissioner Sten made about the traffic on southwest kelly, a large part of that traffic, maybe 95% of it, are cars from i-5, either northbound or southbound, trying to get on the ross island bridge, and south Portland circulation study will address that and ruse the traffic on that, so that's yet another reason why it's important to move quickly with the south Portland circulation study. Thank you very much.

**Potter:** Thank you all. Thank you for being here, folks. Please state your name when you testify. You each have three minutes.

**Anton Vetterlein:** Thank you. My name is antoine vetterlein, homestead neighborhood president, 430 southwest hamilton street. The list of neighborhood improvement projects in the resolution were taken from a larger list of tier one projects in the tram report, and the tram report included projects that were called for in the previous marquam hill plan. So they contain projects that were intended -- that are intended to mitigate impacts, and I will use that word because I think that's what some of those projects were intended to do. Mitigate impacts of ohsu expansion on marquam hill, and they're not necessarily directly related to the tram, however because they were not committed to in the marquam hill plan they got pulled in to the tram report and this process here. Frankly I think they should have been part of the marquam hill plan, but I think the city was in too much of a hurry to approve ohsu expansion plans to get into a serious honest discussion about impact mitigations and their costs. However, I think it's -- the projects that come from marquam hill plan I think are less obvious because this is the tram report, not -- you know, it's not talking about the marquam hill plan per se, and so I just wanted to add -- bring up a couple of things that concern me that I hope you could add to the resolution. One thing that's very important to the homestead neighborhood association is sidewalks in the residential/commercial area immediately adjacent to ohsu. This has been a longtime priority of the neighborhood. It's in the marquam hill plan. It's in the objectives. There's action items referring to it. And we're just asking for sidewalks on transit streets that are the only through streets through the neighborhood, and so i'm asking you to adopt the resolution that i've distributed to you and emailed to you as well. There's one other thing. The homestead neighborhood, or marquam hill traffic calming plan, was also called for in the marquam hill plan, but there's never been any funds dedicated for that, and there's still no dedicated funds for that. And I see that we do have dedicated funds, not only for the planning, but the implementation of traffic calming on virginia avenue and corbett avenue, I think, but we're not -- we're not seeing that in -- up on marquam hill. And I think corbett avenue, virginia avenue, deserves it, and i'm just hoping we could get the same consideration up on the hill where the need has been very great for a long time. I know ohsu has talked about, in the -- in the m.o.u. Of funding that, but my understanding is they've not committed to that yet, and I think -- and then there's also funding the improvements themselves, and that's pretty much up in the air right now. So these are two things we're really wanting to see in our neighborhood, and hope we can get your support on that. Thank you.

**Potter:** Thank you.



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**Adams:** Could I ask a follow-up question?

**Potter:** Yes.

**Adams:** Has anyone looked at the costs of the sidewalks in the homestead traffic calming just for a sense of size?

**Vetterlein:** The sidewalk, no. And that's what we're basically asking in this resolution, is let's just start talking about it. What's it going to cost and what are the different funding sources. We're not asking for money at this point, we're just saying let's start talking about it and planning for it. As for the traffic calming plan, I don't know if there's been any numbers attached to the actual implementation.

**Adams:** Thanks.

**Mike Dee:** Mike dee, 133 northwest sixth avenue, liberation collective, taxpayers against bad government priorities and biotech free Portland alliance. The tram is still a scam. It was too expensive the first time it came to Portland city council, and now it's said to be at least three times too much. If some of you remember back, it was shown to be cheaper to drive ohsu employees back and forth all day in limousines. Ohsu stepped up to cover the additional cost, yeah, that's easy when you steal the public funds to do it. In the past, ohsu asked for \$10 million, taxpayers said no. So ohsu instead came back with a ballot measure to take \$200 million from the tobacco settlement, not spending a single penny on tobacco prevention. The question to taxpayers, was what type of bond? \$200 million has been identified as a shortfall in the Oregon budget. State senator kate brown has said that \$200 million is needed to provide adequate healthcare for all Oregonians. What is ohsu using it for? Good question. Their continued lack of public process and willingness to share information with the public, even on request and by court order continues. I.d.a., in defense of animals, has been given \$151,000 bill for public information. Ohsu has never had an open forum to explain why they kill hundreds of monkeys, cats, dogs, pigs, and thousands of rats, birds, mice. In over 40 years, there hasn't been any cures discovered by murdering animals. Today we couldn't watch the thing on the display. Their system wasn't working or something. If they can't work at a computer, how can we expect them to build a safe tram over people's houses and guarantee that's going to be safe. Death of construction workers. If you remember, construction has killed people at ohsu, at least one death is on their hands during a recent construction project. All due respect to the family. What's that costing the taxpayers? We heard multiple numbers today. \$40 million, \$25 million, \$2 million, \$3 million, \$5 million? How much is this thing? It just keeps changing. Ohsu accepted the schnitzer's brownfield property. Why does the public have to pay to clean that up? Where was the public process there? I feel that there's a conflict of interest in the p.d.c. regarding the committee to find a new director. One of the members on that committee has ties with ohsu -- has ties with -- yeah, with ohsu, and ohsu gets lots of funding from p.d.c., therefore p.d.c. should either ask that person to step down or ohsu should no longer request, apply, or obtain p.d.c. money. P.d.c. doesn't really have extra funds, they just continue to use their funds improperly. The burnside bridge head project and the creative services center are just two examples of that. The silo decision was a past court case that made p.d.c. redo their budget. Some of Portland and Multnomah county's priorities are wrong. We have school problems still, opportunities, and animal testing is a bad use of funds. So i'll finish up here. Portland is not the next biotech head. Washington state it. It's very costly and a very unsuccessful movement. Portland doesn't really have funds to buy people's homes. You're doing -- you're doing the budget, i'm sure you know that. So get out now before it's too late. You're a new council. Come up with a better use of funds. Thanks.

**Potter:** Thank you. Thanks. Thank you for being here, sir. State your name when you testify. You have three minutes.

\*\*\*\*\*: Not my address?

**Potter:** We don't require that.

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**Jim Gardner:** Good afternoon. My name is jim gardner. I'm a member of the board of the corbett-terwilliger-lair hill neighborhood association. Chaired it many years ago. And a neighborhood representative on the pati board, so I wanted to make real clear that i'm here as a resident of the lair hill and as a representative of the ctlh board, not speaking for the pati board. I would like, though, to commend the pati board and this council for your support over this entire process for a package of neighborhood improvements to be adopted and hopefully actually happen in association with the ohsu tram. What I want to address today, though, is one very specific aspect of that resolution that's before you that describes the neighborhood improvements. I'll start I guess by laying out three premises and then a conclusion. I don't think there's -- there's very little, if any, to debate the basis of the three premises. The first premise is that the corbett-terwilliger/lair hill neighborhood is the most affected neighborhood by the ohsu tram. The second premise is that reuniting the lair hill and corbett portions of our neighborhood that are now divided by naito parkway is the most significant long-term improvement for ctlh that could be accomplished. And the third premise is that the south Portland circulation study is adopted city policy to accomplish this reunification of our neighborhood. And I think those three premises lead to a conclusion, which is that there is no neighborhood improvement which should have a higher priority for use of available funds than implementing the south Portland circulation study. The resolution before you lays out priorities for use of \$9 million in potential federal transportation funds, and it says that the first priority should be the pedestrian bridge across i-5. Second priority should be the first piece of implementing the south Portland circulation study. Our neighborhood board voted last meeting to ask council to remove that prioritization language. Put at least -- at least put those two projects on an equal footing for competition for the \$9 million in federal funding. We went on, really, to ask that you place a cap of \$5 million of that \$9 million for the pedestrian bridge. This in no way would jeopardize the bridge. Its cost at the schematic design level was estimated at \$3.6 million. With other related parts of doing that job, the information before you now has come up with a figure of about \$5 million. But there's already \$2 million identified in the south waterfront development agreement for this project. It's been labeled neighborhood improvements all along, but consistently pdot and p.u.c., everyone else, has identified this as being for the pedestrian bridge. It was never enough too the bridge, but it was meant to be a -- a significant portion for the cost for the bridge. So the one thing i'm asking you to do today is take out the language that prioritizes the pedestrian bridge as a higher priority than starting the south Portland circulation study work and to place that cap of \$5 million of that \$9 million, which is not going to, by any means --

**Potter:** Sir, you have to wrap it up.

**Gardner:** That's it. Thank you for your time.

**Potter:** Is there anybody here to testify that didn't sign up? Discussion with the council.

**Adams:** Could we get some answers to some of the questions raised?

**Potter:** Yes.

**Adams:** So some of the memo -- the memo from mr. Beck dated april 28, I just wanted to go through and some of the folks added other things to see what's in and what's out just for the clarification of the audience and the city council. The interim traffic and transportation projects --

**Brown:** What we're suggesting is that we cap the currently allocated \$150,000 to first do a study. It probably won't take \$150,000, but it's likely that to address concerns on both of those it will take more than. So first step, do a study, look at those, work with the neighbors on kind of what the plan should be, and second step, figure out how to implement that.

**Adams:** The pedestrian bridge, the issue raised in the last testimony, and --

**Brown:** There's a couple points. The \$2 million in t.i.f. is confined to -- unfortunately the circulation study lies out of that. Some is within, some is out. However, it does cross over i-5 and captures kind of a nub of gibbs street. That the why that boundary was drawn there. That's kind of why t.i.f. has been prioritized in that way, because it's more or less putting it to where it can be used

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for something of a neighborhood benefit. On the \$9 million, I think, again, we don't have too much of a problem with thinking about capping that. I do want to say we haven't, you know, updated our cost estimate since the end of schematic design on the bridge, and obviously we'd want to revisit that as we move into first phase of design for the bridge, but we're pretty comfortable with \$5 million is a number to work with, and I don't think that's too much of a problem there.

**Adams:** In terms of the funding, the south Portland circulation study plan as contemplated by the resolution.

**Brown:** Right. It's entirely dependent, of course, on our success with the earmark, and to have the funds available to do that. The other piece of it is that we need to be able to tie the south Portland circulation study into a couple other key transportation issues that are in that area. Again, don't baack highlighted a couple of those. We also have the whole issue of, you know, access to and from i-5 for south waterfront and for the neighborhood. You know, we need to look at macadam avenue on the other side of i-5 and how that's put together. So we think the best, the smartest way to do that if we're successful with the earmark, is put together something that looks at macadam avenue, south Portland circulation study, other issues raised, and look at those in a holistic way.

**Adams:** Ok. And the underground utility and the person who testified about the big poles that would get it into the ground.

**Brown:** Right. We're just beginning design on that. And so we don't have any final design on where that thing -- where those things will be located. Right now, though, I think the big poles that she's referring to are associated with the corbett avenue line, because that's 115 kilovolt line, pp&l transmission line on corbett. Everywhere else they're pretty much the standard neighborhood transmission line. We're going to try to replace poles where they are today, not add too much. I understand her concern. That's part of what we need to work on as we get into the details of this, is trying to minimize any external impacts, you know, away from gibbs street, and --

**Adams:** Having walked the neighborhood, and actually parenthetical issue, that transmission line is going right in front of people's houses. It's huge. Is there any conversation you've had with the utility about matching our undergrounding with doing something about that?

**Brown:** No, we haven't talked about extending it right now. And I will say this, because there's another issue that came up about, well, you know, we should just move the funds from gibbs street to somewhere else and use them in that way. You know, we have a -- we have something -- both the utilities and the city need to do something on gibbs street right now. We could get away with spending a lot less to install this tram than what we're proposing right now in terms of the undergrounding, but we'd essentially be shifting a lot of the cost on to the utility companies, by saying, look, you need to put your utilities down on the ground, let us work around it, you can put them back at the end of the day, be more disruption for the neighborhood, more costs for the utilities. So we have called a hammer, I guess, on gibbs street for the utilities to come to the table, bring money to the table, help make that happen. Our cost, our share of it, is \$750,000. The utilities are bringing a significant amount of money to the table, too, because we know that they'll have to deal with the impact one way or the other. We felt it would be more important to deal with the impact in a way that had a positive end result rather than just putting them all down on the ground, putting them right back up where they were when we started. I don't think it's as simple as moving things one way or another. This was an item that was added that ohsu agreed to include as part of their funding increase as well.

**Adams:** And the piece of that, it could be included as part of the construction costs, therefore freeing up money to use for more neighborhood improvements?

**Brown:** It is part of the construction cost.

**Adams:** Our piece of it?

**Brown:** Yes. The \$750,000 is part of the tram budget.

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**Adams:** Ok. And the streetlights, mr. schwindt and others expanding streetlight improvements on corbett.

**Brown:** Again, I think that's -- that's something that we'd like to look at as part of the -- the -- first step study, look at what the improvements could be along corbett, getting into that more detail, second step, does this make sense, should we move forward with something like that? There's been a lot of people I've talked to, and we're certainly happy to sit down and work that through with them.

**Adams:** Ok. If there's a way to sort of fast-track, you know, preliminary engineering of new streetlights as opposed to studying or -- I mean, you're the expert, but the extent to which the studies actually how-to as opposed to if we can.

**Brown:** I think that would be the goal. There is a first piece there I was at the ctlh board meeting, and I think there has been to be a conversation with the neighborhood on what their vision is for corbett, because they're not everyone is on the same page.

**Leonard:** They may not be but there's a changing dynamic there that we should absolutely, for want of a better word, take advantage of, and do what we can to help those new voices implement the vision that they've brought that has not been something we've experienced here heretofore.

**Brown:** You bet. We'll work with them to do that.

**Adams:** Keep going down the list. I appreciate your patience. I think it's good for the record that we go through these issues. The bio program. We heard from commissioner leonard this item calls for expanding it, and you addressed that in our earlier conversation. There's a limited amount of money, if we're able to facilitate direct transactions, you could revisit council with --

**Brown:** Right.

**Adams:** The percent for art, we worked on this on the pati board, that's in place for this, but the neighborhood's concerned that some be spent on the neighborhood as opposed to strictly on the tram facility itself.

**Brown:** Great idea. I mean, what we've done here, just for the record, make sure everyone's clear, the percent for arts, the strategy that we've done here is to say -- and the tram budget of \$40 million, you have a certain amount of money that is, say, eligible or qualifies in that calculation for a percent for arts. What we've suggested is that we calculate what that number is, include it within the budget for the pedestrian bridge, and essentially at the time when we're finishing the public areas around the bridge and everything else, that becomes part of the budget and part of the public arts program as part of that. I think looking up into the neighborhood, you know, as part of that program, I think would be a welcome addition. Certainly a lot of the people we've talked to have been interested in doing that, so --

**Adams:** Signage for south Portland national historic district.

**Brown:** I think what they're talking about is maybe some of the sign caps, but we have to talk a few more details. May be a pretty easily delivered item. I don't have anything funded for that yet right now.

**Adams:** An issue that I don't recall having discussed at the board, or listened to in previous, the whole issue of risk management for neighbors, who are impacted by this facility.

**Brown:** Right. Hopefully not. I mean, I think -- you know, there's been some concerns that I think are pretty easily addressed. For instance, the tram cars really -- if you go and stand under a chairlift at a ski area, and you see the kind of -- the pile of grease that's around the chairlift, it's a result of the chairs going over the wheels, bumping over them, and the grease that's required to kind of run those wheels on the tower and things like that. This is a lot different system than that. I think there's some of the issues about how -- you know, the kind of day-to-day operations I don't think are going to be an issue. I think the larger issues of what happens if, you know, something catastrophic, something like that. You know, bottom line is that the city's going to own and operate

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this facility. And along with our partners and designers and everyone else who's involved in the project, we're all part of that team. We'll have to answer for any risk that comes along.

**Adams:** What about antoine's requested amendment regarding sort of a plan on sidewalks and also funding for the homestead traffic calming study?

**Brown:** Great idea. One, we're working on the traffic calming study scope right now with homestead, with ohsu, so that is in process as we speak. And I think it's a great idea that -- to get up there and start working, looking at some of our options of how we can get sidewalks in up there. It's an issue i've heard on a couple different occasions as well, talking to neighbors in that area. Everything antoine put in there is something we're happy to work with him on.

**Adams:** I just want to make sure regarding commissioner Sten's and some of the other comments that the -- the traffic studies will include the on and off issues with the freeway? Kelly and --

**Brown:** I think the issue was the kelly avenue crossings, kind of the traffic calming. It will include that, that's right. Jim gardner I think was correct in saying that long-term that's really addressed through the south Portland circulation study, but the question is how do you deal with it in the interim, and that's what we'll try to address through that study.

**Adams:** I think those are the questions. And i'm comfortable moving the addition of the -- antoine's amendment.

**Sten:** Second.

**Adams:** Moved and seconded.

**Potter:** Do we vote on that?

**Adams:** I need to officially declare my conflict, just be clear i'm on the pati board. Aye.

**Leonard:** Aye.

**Saltzman:** Aye.

**Sten:** Thanks, antoine. Aye.

**Potter:** Aye. [gavel pounded] any other questions, folks? Thank you very much.

**Brown:** Thank you.

**Potter:** Great job.

**Adams:** Yes.

**Brown:** Thank you. **karla start here**

**Potter:** Any discussion amongst the council? So now we've consolidated two of the -- let's go through that again, what we've consolidated, just to make sure we're all on the same page.

**Moore:** We amended 400 and 401, specifically the contracts, right?

**Potter:** Ok. First vote on that resolution.

**Moore:** We are ready to. 398.

**Adams:** I'm going to make some general comments on this first one, and just vote on the others. I want to acknowledge and thank my former boss, mayor vera katz, for working on this issue for a number of years. Mike lindberg, as chair of the pati board, and his predecessor, pat lacrosse, excellent job. I want to thank the staff at pdot, and ohsu, who stepped in to fund the gap that was created by rising costs. Vic Rhodes and especially all the neighborhoods and neighborhood association folks who have provided input on this. I've had a chance to go lobby personally twice in Washington, d.c. for a number of issues, including the pedestrian bridge, and I can tell you that representative hooley and senators smith and wyden are working very hard on this, and they're serving us very well on this issue. The design excellence, the neighborhood improvements, the opportunities for job creation, housing, of growing ohsu, of keeping the urban growth boundary intact, improving circulation in this part of town, this is a real great opportunity, and i'm happy to vote yes.

**Leonard:** Aye.

**Saltzman:** Aye.

**Sten:** Aye.

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**Potter:** Aye. [gavel pounded]

**Moore:** 399.

**Adams:** Aye.

**Leonard:** Aye.

**Saltzman:** Aye.

**Sten:** Aye.

**Potter:** Aye. [gavel pounded]

**Moore:** 400.

**Adams:** Aye.

**Leonard:** Aye.

**Saltzman:** Aye.

**Sten:** Aye.

**Potter:** Aye. [gavel pounded]

**Moore:** 401.

**Adams:** Aye.

**Leonard:** Aye.

**Saltzman:** Aye.

**Sten:** On this last one, I did want to thank the tram board, neighborhood activists, and all the people working on this. We've talked about this quite a few times, and this was always a situation in which there were different interests that I didn't think could be completely reconciled, interests that needed and wanted a tram, and those that didn't want it over them. I think some of those very tough decisions having been made, everybody has done a remarkable job. One thing that strikes me the most, I don't know if it could have been possible another way, but i'm very excited about the south Portland circulation plan is beginning, and it is something -- I remember the first time I ran for office, being in john's living room, talking about a way to take this issue on. I think there's always been a will. What's interesting is that this project has created the public momentum to take on that other project that rightfully should have been taken on. Maybe that's not the perfect way the world should work, but it's a nice result. Having eyeballed where that pedestrian bridge is going to go, i'm firmly convinced that that will make a great addition to the neighborhood, whatever other issues that might be there, that's a terrific first step. And i'm so dramatically more happy to have that just about be reality in voting for this next step on the tram than last time around. On the little issues, which are not little if you live there, there's been a whole bunch of good ideas that have come forward today to modify and enhance the strategy. I do commit to work with everyone in the neighborhood. And matt brown, who I want to single out, who I think has shown really, in my opinion, how a public manager should work. So congratulations. A really nice job. That doesn't mean you're done. Aye.

**Potter:** I too would like to thank everybody. I was very impressed with how compromises were reached during this. I know it was a very difficult process. I really appreciate the hard work of everybody. I want to make sure our neighborhoods have voices in these projects as they come up, and that they have a clear voice and they're at the table when those decisions are made. I think this is a good start in that direction. Aye. [gavel pounded] the last item on our agenda. We're recessed until 6:30 p.m. this evening.

At 3:32 p.m., Council recessed.

**April 28, 2005**  
**Closed Caption File of Portland City Council Meeting**

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

Key: \*\*\*\*\* means unidentified speaker.

**APRIL 28, 2005      6:30 PM**

**Item 402.**

**Potter:** The Portland city council will come to order. Karla, please call the roll.

**Adams:** Here. **Leonard:** Here. **Saltzman:** Here. **Sten:** Here.

**Potter:** Here. [gavel pounded] I need a motion to accept the substitute resolution that you have before you for the original resolution.

**Leonard:** So moved.

**Adams:** Second.

**Potter:** Karla, please call a vote.

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

**Potter:** Aye. [gavel pounded]

**\*\*\*\*\*:** How about reading the resolution?

**Potter:** If it's ok if I skip the whereases.

**Moore:** I didn't read the title yet.

**Potter:** I'll start on the second page. Be it further resolved that with respect to the joint terrorism task force the mayor and the f.b.i. have agreed that the Portland police bureau officers currently assigned to the jttf will be removed from jttf and reassigned to the city's criminal intelligence unit with direct oversight and supervision of city officials within 90 days after the passage of this resolution. Be it further resolved that ensure citizen safety and security Portland police bureau officers will continue cooperating with all federal partners to ensure the security and safety of the city. Portland police bureau c.i.u. officers will contact the f.b.i. immediately with any information regarding possible terrorist threats. The police chief will remain a member of the jttf executive group, which is briefed on the work of the jttf. The police chief will brief the mayor immediately after each executive group meeting and the f.b.i. agent in charge has agreed to immediately contact the mayor and police chief for briefings regarding terrorist threats. Be it further resolved that regarding security clearances, Portland police officers currently assigned to jttf will retain top-secret clearances, however those clearances will not be used, except during a critical incident or imminent terrorist threat as determined by the f.b.i. The f.b.i. has agreed to brief the mayor and police chief regarding any such incidents or threat. The police chief will retain secret clearance and the mayor will apply for secret clearance. Be it further resolved that regarding communication and collaboration between city and federal agents, the need for assistance from p.p.b., c.i.u. officers on the jttf terrorism investigations will be determined by the f.b.i. on a case-by-case basis. Participation of p.p.b. C.i.u. Officers will be limited to secret-level investigations and consistent with o.r.s. 181.575 and o.r.s. 181.150. The mayor and police chief will provide oversight of Portland police officers during these investigations. The city and f.b.i. have agreed that the city determines that the participation by p.p.b. C.i.u. officers, if they determine that they may violate o.r.s. 181.575 or o.r.s. 181.850, the city may withdraw officers from participation and the terror alert information will continue to be shared with city officials by the f.b.i. and department of homeland security. Be it further resolved that regarding training and assistance, the f.b.i. has agreed to provide p.p.b. officer with roll call training, supervisory and management training on terrorist-related issues. Be it further resolved that regarding the Portland criminal intelligence unit, Portland

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police bureau intelligence unit, the c.i.u. will contact the f.b.i. immediately with terrorist information and they will consult with the f.b.i. on questionable cases as to who has jurisdiction and the f.b.i. will determine jurisdiction. Be it further resolved that the mayor and police chief and f.b.i. will meet in six months to review and evaluate the operations under this resolution. Be it further resolved, this resolution is binding city policy. That was the agreement reached between the police commissioner, myself, the f.b.i., and the united states attorney. I don't know if they're here tonight. I invited them to be here, but they may not. This evening's hearing is a substitute resolution regarding the city of Portland's involvement in the joint terrorism task force. This is an issue of great community interest and concern, and the council recognizes that emotions are deeply held and sincere. As we did so successfully last time, this issue came before us, all sides will have the opportunity to express their point of view. We will be civil toward each other, so, please, no yelling, clapping or waving of signs that disrupts another person's views. If you need to express an opinion, raise both hands in the air, lilli and irwin, maybe you could show them how to do it. There you go. If anyone acts out or is rude, they'll be warned, and then they'll be asked to leave the chamber. We want this to be a civil discourse, and a discussion between the people that you have elected and the people that we work for, you. The substitute resolution has several key provisions that differ from the original. First, the two Portland police officers assigned to the jtff will be reassigned to the city's criminal intelligence unit under the direct supervision and oversight of city officials within 90 days of passage of this resolution. Second, Portland police officers currently assigned to jtff will retain their top-secret clearances. These clearances will not be used except during a critical incident or imminent terrorist threat as determined by the f.b.i. Third, the f.b.i. has agreed to brief chief foxworth and myself regarding any such incidents or threats. Fourth, chief foxworth will retain his secret clearance and I will apply for secret clearance. Fifth, the f.b.i. has agreed to provide Portland police officers with role call, supervisory and management training on terrorist-related issues. Sixth, chief foxworth, f.b.i. special agent in charge, robert jordan and I will meet in six months to evaluate this resolution. Last, tonight's amended resolution -- excuse me -- substitute resolution does nothing to change Portland's relationship with any other federal task force. Those agreements will be negotiated separately by me as the commissioner in charge of the police bureau. I want to stress what hasn't changed since this last -- since the last meeting on this resolution, and that is the resolve of every commissioner and every employee of the city of Portland to do everything within our power to protect Portlanders' lives, their properties, and their rights. We will continue to collaborate with regional state and federal partners for a safer Portland. The recent negotiations between u.s. Attorney karen immergut, special agent jordan, and myself have led to a new level of communication and trust. We're deeply committed to the safety and security of our city and our region. So is there a sign-up list tonight, Karla?

**Moore:** Yes, we do.

**Potter:** Ok. We will go ahead and start hearings. Are there any public officials that wish to make a statement before we begin? Ok, thank you.

**Moore:** Come up three at a time.

**Potter:** Tonight, in order to expedite it, we would ask to hold your comments to two minutes, if that's humanly possible.

**\*\*\*\*\*:** It may be inhuman, but we'll try.

**Potter:** Ok.

**Irwin Mandel:** Good evening. Irwin mandel. I'm delighted that commissioner dan Saltzman has chosen to provide an advance explanation for his vote in today's "the Oregonian" rather than after voting as is usual. I now have the opportunity to critically evaluate his reasoning. He provides examples of other multiagency teams, such as the child abuse team, that are colocated for greater efficiency. However, none of those teams require top-secret clearance for membership. Therefore, oversight of team members, in order to be sure that they are not violating Oregon civil right statutes



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is not a problem. These examples are irrelevant to the present issue. The commissioner states that "one can be concerned about the far reach of the u.s.a. Patriot act and still support the joint terrorism task force." support for the work of the jtff is not the issue. Oversight of the Portland police bureau members to be sure that they are functioning within the bounds of Oregon civil rights statutes and not within "the far reach of the u.s.a. Patriot act" is the issue. I was born in new york, if you couldn't tell, and until 12 years ago lived there. Commissioner Saltzman reports on his recent trip to new york and his visit to the hole where the towers once stood. He claims that as he stood there, that "among new yorkers there is a silent palpable sense of apprehension of posttraumatic stress for many who stood there." i'm quite sure that most of the people viewing the site with him were tourists, like himself, and not new yorkers. At this time I believe that most new yorkers are experiencing a feeling of anger, not fear, it would not be at all difficult to look a new yorker in the eye and explain that we're withdrawing from the jtff in order to protect our civil rights. I have no difficulty looking my sister-in-law, who lives in lower manhattan, in the eye and making this explanation. Whenever this administration sets out to trample anyone's rights, they raise the cry of "remember 9/11." I would rather heed franklin roosevelt's admonition that "we have nothing to fear but fear itself." I do not believe that commissioner Saltzman has presented a rational basis for his vote against the present resolution. Crying "9/11" doesn't cut it.

**Lili Mandel:** Before I start, I did not expect to have two minutes today. I usually am 40 seconds, but today I expected the full time. So you have caught me off-guard. Lili mandell --

**Potter:** All that time was free, lilly, so now you can begin the two minutes.

**L. Mandel:** Gee, thank you. I really appreciate that. Great reassuring news -- today's "the Oregonian" editorial states that in the four weeks of delay there have been no flood of civil rights abuses involving the jtff. Now, what really puzzles me is how would "the Oregonian" know there weren't any abuses, since that information would certainly be labeled top-secret. Really, do we first need to wait for a flood of civil rights abuses before we pull out of the task force? The abuse of brandon mayfield was already one abuse too many. In another deliberately deceptive bit of reasoning, the editorial claims that the city is giving up a large amount of oversight and ability to hold the jtff accountable. The city now does not have oversight of the jtff, nor the right to hold them accountable. How can you give up something you never had? Enough of dealing with specious arguments. Let's get to the point of why we're here today. The f.b.i. has stubbornly refused our former police chief, present police commissioner and mayor the level of oversight that he needs to fully protect our civil rights. We admire him and the commissioners who fully understand what really is at stake here, and I won't be, because he won't let me have three minutes. The fear mongers have been very busy selling their wares. They want us to buy the idea that Washington will punish the entire region by withdrawing financial support for a variety of programs. If this were true, we would have to ask what sort of dictatorial society do we live? I will not give in and buy this type of fear mongering. Mayor Potter and commissioner leonard have been subjected to severe criticism by some who are willing to sell our precious civil rights. The rest of the country does not enjoy the protection of Oregon's civil rights statutes and i'm positive they will understand that the f.b.i. left us no choice, but to withdraw our officers from the jtff. Two lines. I hope that there will be unanimous support for this resolution. Yes, let Portland pioneer protection of civil rights. Let's do it. Just went over a little bit.

**Diane Lane Woodcock:** Diane lane woodcock, speaking for the alliance of police accountability. We greatly appreciate council's apparent concern for keeping citizens safe from terrorism while protecting their rights by changing the way Portland officers participate in the jtff, and by addressing oversight of those officers. We also appreciate the difficulty in obtaining the ability to provide such oversight. That said, we still have some concerns. We understand that the mayor and the chief will review Portland officers' secret-level investigations. This is certainly better than no oversight at all, but we maintain that independent oversight by trained civilians, not working for the

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city or the police bureau, would provide the most appropriate review. Worse, there will be no oversight for top-secret-level investigations by Portland officers. Apparently those investigations will only happen for critical cents or imminent terrorist threats. However, oversight is critical at all levels, since the existence of such threats will be determined by the f.b.i. Can we really trust the f.b.i. to accurately assess when there is a true need for top-secret investigations? We all know that the f.b.i. has a history of violating first amendment rights. According to a fairly recent federal court opinion, the f.b.i. submitted a troubling number of incorrect statements and omissions in their affidavits when applying for search warrants and wire continues. The f.b.i. issued a bulletin in 2003 alerting the police to report any potentially illegal acts during political protests to their nearest jttf, and it's difficult for us to forget the original language in the first pjttf ordinance that stated that the task force's mission was to identify and target for prosecution individuals or groups responsible for right-wing and/or left-wing movements. I have a lot more, because I too prepared for three minutes. We do appreciate the six-month review of the jttf. We suggest that you include a community representative, some community group in that review. And again, we appreciate this first step and hope that you'll continue to seek meaningful oversight. Thanks.

**Potter:** Thank you. Thank you for being here. Please state your name when you testify. And try to keep it to two minutes.

\*\*\*\*\*: Mayor Potter, members of the commission -- is this --

**Moore:** That's good.

**Andrea Meyer:** She said to pull it closer. Andrea myer, legislative director for the aclu. I want to thank the many years of hard work to many of the community organizations at the table with me and behind me who have been working on this for over five years. I want to thank commissioner leonard for early on understanding and moving forward on this, and, mayor Potter, you joining upon election this cause. I also want to thank you for including the aclu in the meetings. They were quite constructive that we had with the f.b.i., the u.s. Attorney, yourself, and I appreciate the aclu's ability to fully participate. We are very pleased to support this resolution. It sets forth the very same oversight that is currently provided. All other Portland police bureau activity, and I really encourage everyone to look at the whereas provisions that you didn't speak to tonight, but they're very important. Indeed the oversight requirements set forth in this resolution are identical to the level of oversight put in place in Portland because of the past violations of Oregon law that prohibits police spying on lawful and religious political activity. As part of the effort to understand the activity of our local jttf, as I testified last time, the aclu a request on behalf of 17 individual organizations and individuals. We've been informed by the f.b.i., I can update this slightly, that there are responsive documents to nine of our clients. One of those nine, however, i've been told now by the f.b.i., is a missing document. They're somewhere in the Portland f.b.i. Bureau, and we've asked them in our spirit of communication and cooperation to find those documents so we can provide them to our client. While the federal government is relying more and more on local law enforcement agencies to carry out its mission, the justice department has been obsessed with maintaining unprecedented level of secrecy. The city is right to insist that the shroud of secrecy shouldn't be allowed to prevent elected officials and the city attorney from doing their jobs of ensuring that city employees comply with Oregon law and the Oregon constitution. It is not the job of the f.b.i. and u.s. Attorney to monitor compliance with Oregon law as part of their oversight of the jttf police officers. It is the job of the mayor as commissioner in charge of the bureau and the city attorney to provide that oversight. We are pleased that the city will not abdicate its oversight responsibilities on a condition of cooperation with the federal government. This resolution will help ensure that the city meets its obligation under Oregon law and makes it more likely that everyone who lives, works and visits our city remains both safe and free. Thank you.

**Potter:** Thank you.

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**Dan Handelman:** Mayor Potter, commissioners, i'm dan handelman with Portland copwatch and peace and justice works. We're also glad to be here after some 4 1/2 years to be supportive and notice that this is pretty much what we've been asking all along, that the -- the city can cooperate with the f.b.i. When there's an actual investigation of criminal activity, and when there's not, that you won't participate. We also have some concerns, though. While it's good that there's going to be a review of this in six months, perhaps an annual public review that includes any information about the number of times the police have been asked to join the f.b.i. again can happen, where the public gets some information. Obviously if the nature of it is secret, you can't say what it was, but you can say how many times it happened and publicly say how the agreement is working on an annual basis, and that way we would have assurances that the oversight is working. This resolution proves that cooperating is possible and not only possible mandated by the agreement, contrary to some fears that are raised in today's "the Oregonian" and national news. We're concerned because the city attorney, though, isn't mentioned in the be it resolved portions of the new resolution, and -- well, I didn't hear it. I want to make sure the city attorney has the ability to review the activities, and just also to clarify with other activities of the police, the independent police review division would be able to review something if the police were out of line, but in this case I assume that if it's top-secret they can't, or secret they can't. The f.b.i. said that they couldn't grant clearance to the executive group for elected officials, such as mayor Potter, but the clackamas county sheriff's office is working with the jtff, and if the Multnomah county sheriff's office would work with them, I wonder if either of those sheriffs who are elected officials would get clearance. Seems like an interesting thing to look into, since they're elected officials. And the f.b.i. is continuing to assert that senator wyden has oversight, even though he's quoted in the paper as he's only going to go on a trust and verify policy rather than looking at specific cases and see if it's following the law. But overall by taking this proactive step you're setting a national trend and turning back the clock on its post-9/11 hysteria and perhaps helping prevent extreme measures, which will be subject to reparations and apologies for some 40 years down the line. And inc. This is a great moment in our history and in the country's history to take this stand right now before things get worse. This is not to say that we have to wait for something to happen in Portland. We know that things have happened with jtff's in denver and fresno and other cities around the country. So, again, we appreciate this step forward.

**Kayse Jama:** Good evening, mayor tom Potter, commissioners, my name is Kayse jama. I'm the so-called muslim token who testified last month in front of you on this issue. I'm with the alliance of police and community accountability, and i'm also here tonight as a citizen and resident of Portland, a person who deeply cares in the well-being of Portland. I'm here also today in support of the resolution that mayor Potter has put forward today. I feel this is a symbolic gesture on behalf of the mayor and the council. However, symbols can have a profound effect. I believe it is symbolic because it sends a clear message to the federal government that the civil liberties of all are important, even the rights and the liberties of Portlanders who go to the mosque on fridays. I believe it's symbolic, because the muslims feel that there are elected officials that are about -- about their concerns -- who don't care about their concerns, thus putting their greater trust to engage in civic structure, and to be partners in the security of our community. I also believe it's symbolic because it shows that -- it shows the nation that the local government need not to be afraid of the power between the people they represent and the federal government. If the federal government cuts the funding in retaliation of this symbolic gesture, it is they who are putting our citizens at greater risk of terrorism. And finally, mayor Potter and the commissioners, I want to talk about hope. Last month, last year, our organization has put together a festival called "hope begins where fear ends." and I want to talk about hope, not fear. And I believe what we decided tonight here will allow us, as a community, to move forward and to build a trust among citizens and noncitizens of this city. Thank you.

**Potter:** Thank you.

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**Eduardo Martinez-Zapata:** Hi. My name is eduardo martinez, and i'm here speaking for the freedom socialist party, a grassroots organization. As a chicano radical, i'm very concerned about the existence of the Portland joint terrorism task force. Jttf's across the country have a proven record of repression, unjustified imprisonment and violence toward people of color, immigrants, political activists, and those who speak up against injustice, so i'm thrilled to see that mayor Potter's resolution to pull out of the pjttf. I commend the Portland social justice community for pressuring city officials since day one and for taking a stand against such unconstitutional policies as the u.s. Patriot act. Congratulations, mayor Potter, and especially commissioner leonard. Theirs is a decisive stance in defense of civil liberties and against the right-wing tide that has created joint terrorism task forces. We applaud when public officials do what is right, and you can be a motivation for other cities to do the same. Unfortunately, the f.b.i. is still around, and working with other state agencies to continue spying on muslims, immigrants, and political activists, so I don't feel out of harm's way when speaking of my privacy and safety as a man of color and certainly not as a socialist. I ask myself, where is the f.b.i. when on a daily basis right wing thugs attack women at abortion clinics. I encourage the council to adopt the resolution. In this same spirit, and as a solution to law enforcement's lack of accountability to our community, I suggest that an independent elected civilian police review board be established immediately. In our community, an independent elected civilian police review board is a solution that won't compromise justice. To the mayor and city council, I say kudos, ratify the pullout from the jttf. To my fellow activists and community in general, I say keep up the good fight, let's continue the struggle to defend civil liberties, women's rights, the right of immigrants and those organizing in their workplaces. Our demands can and will dismantle all joint terrorism task forces, the patriot act, and the department of homeland security. Thank you.

**Cliff Goldman:** Hello. I'm cliff goldman, private citizen. I believe it was benjamin franklin who said that when you take away a little liberty to get more security, you wind up neither. That tension between public safety and personal liberty is real, but as commissioner Saltzman wrote, appeared in today's "the Oregonian," one can be concerned about the far reach of the u.s.a. Patriot act and still support the joint terrorism task force. Commissioner Saltzman went on to say "we must continue to work to ensure that the patriot act and the rest of our homeland security laws adequately safeguard the civil liberties that are the core of our american values, but that effort should not sidetrack critical cooperation among our law enforcement agencies." personally i'm concerned about losing the close ties to the task force that could hamper cases in Portland. I never really felt any fear of terrorism. Of course, like probably all of us here, I watched the 9/11 incident in 2001, but it was just that -- far, far away. But with this coming up, I began to think of my own personal safety, but of course i'm aware of the problem and the tension between personal -- or public safety and personal liberties. It's a quandary. The 9/11 commission is explicit about the need to break down walls between agencies, and has don kroger, assistant u.s. Attorney in new york during the terrorist attacks said, as quoted, in a story on april 23 in "the Oregonian," "in new york I just saw the fact that everyone at the same table made it a lot easier." chief foxworth is against the pullout. He's not saying that now, but he said that two months ago. He said "our membership in Portland's joint terrorism task force is our best opportunity to detect and prevent the next terror attack. Nonparticipation could have serious consequences." civil liberties are the bedrock of our society. Life, liberty, and the pursuit of happiness makes us unique, but let us remember that victims of terrorist attacks lose all of that. Seems like with all the scrutiny, the vigilance that we pay for freedom, with forums like this, that something could be worked out and still remain on that task force. I've not heard a convincing argument that remaining on the joint terrorism task force is a threat to our liberties, whereas staying with it makes sense. Let's keep the dots connected. Thank you for listening.

**Martin Cude:** My name is martin cude. Mayor Potter, city council members, i'm here to urge the city council and the city of Portland to stay committed with the joint terrorism task force. I spoke at

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the last meeting, and I did not have what I wanted to have with me at that time. And this is just an example of -- of the issue being as broad as it is. I think we all receive these in the mail within the last year as our automobile and homeowners insurance policies were renewed, an amendment, endorsement, and there are two sections in each one of them that state that personal injury protection coverage, there is no coverage for bodily injury that results from nuclear reaction, radiation, or radioactive contamination from any source, accidental or intentional detonation or release from any nuclear or radioactive device." as your ordinary citizen, these things are in my head as i'm listening to these discussions, and I just -- I just don't see that there has been presented a better plan than what we have right now. And I just -- I offer my support to chief foxworth and I urge you to stay committed until a better plan is presented. Thank you.

**Potter:** Thank you. Thank you for being here. Please state your name when you testify. Try to keep it to two minutes.

**Basja Samuelson:** My name is basja samuelson, a citizen of Portland. Have lived in northeast Portland for 15 years. And i'm so proud of Portland. I'm so proud of you as our mayor and as our commissioners in your willingness to stand up and show that you are the ones who have authority and responsibility for our city. You know, i'm a little concerned that during national victims week the federal government in cooperation with all of the local agencies was able to arrest 10,000 people in one week. Now, i'd like to know who all those 10,000 people are, if they're able to just say "hey, here's a list of people in your community, and we want to see you arrest them," and that people will just go out and arrest them. Now, that worries me. And I really think that, you know, as our elected representatives, you have the authority and the familiarity with the people in our community to protect -- you know best how to protect us, who live here in Portland. Thank you.

**Yvonne Simmons:** I'm yvonne simmons. I'm with women's international league for peace and freedom, women and black and peace and justice works. I came to this country first time in the middle of the 1970's, and, you know, people talk about america and freedom, and I felt a lot more freedom than I can say than I do now. And america was known for its freedom everywhere. Always some amount of freedom. But -- and I had lived in spain under franco. And I felt that -- I feel now that that -- the kind of -- when I lived in spain, I felt freer than I do at the moment in this country, which is very sad to say. I really urge you to adopt this resolution. I'm proud of Portland as -- you know, i'm very proud of Portland bringing this year to be able to ask if you will pass this resolution, because it needs to be passed. We hear this government talk about freedom, but we want our freedom back, our civil rights. It's so necessary to work around the street. You find that with officials and government becoming more aggressive, it passes on to the people. Give it back to -- you give it back to us, and you'll feel it and we'll feel it, and we'll be a lot better off. Also, I would like to ask, can I get clearance, too, with the pjttf? Thank you very much. And good evening. I forgot to say.

**Potter:** Thank you.

**Robert King:** Good evening, mayor Potter and council. My name is robert king. I'm the president of the Portland police association. I represent the interests of 900 police officers, sergeants, detectives and criminalists. We're disappointed by the decision to pull out of the jtff. We wish the city and the f.b.i. could have found a way to work together. We think it's a lost opportunity. The officers i've spoken for believe it is important for our effectiveness as a city to work cooperatively with our partners against common threats. We agree with our chief when he said the jtff is our best opportunity to detect and to prevent the next terror attack. Concerns about oversight have caused us to lose our sight on this important matter altogether. Officers have repeatedly asked me how after what happened on september 11 we could think about taking this action. The officers that I have spoken to tell me that they don't understand how, after the loss of 3,000 americans, and in particular 343 firefighters, and over 70 police officers, we could take this step. Additionally as a country, we've lost over 1500 lives on the battlefields of iraq and afghanistan, and over 10,000 american

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servicemen and women have been injured. For them the threat is real. Officers on the street face the same kind of real threat. They deal every day with risk. It's an unknown risk. And what this decision means to them is that there is greater risk for them, and we believe greater risk for our community. If there is another attack, and I pray, I pray there is not, it will be police officers and it will be firefighters who will be on the front lines, and it will be our police officers, our firefighters, and our citizens that will pay a heavy price. So in light of all these comments, on behalf of the police officers of Portland, I ask you to reconsider and find a way for us to continue our participation in the joint terrorism task force. Thank you.

**Potter:** Thank you.

**Paul McAdams:** My name is paul mcadams. I was born here in Portland, and i'm -- i'm glad you are passing this resolution tonight. I hold in my hand a document, and this document was put together by the federal bureau of investigation signed by a united states federal judge. This is what they went after brandon mayfield, and everybody in this room should read this, you know, this document. You can go on the [www.smokinggun.com](http://www.smokinggun.com), in the archives, and brandon mayfield and punch in that. I mean, the reign of terror they conducted against this man. You know, the lies -- I mean, 15-point fingerprint, 100% positive that brian's fingerprints were on that bag by a federal bureau of investigation agent that had 30 years in the fingerprint. Thank goodness for spain, because, you know, they came out. All i'm saying is that people should read this and see what the f.b.i -- I mean, you can read how he -- they thought he left the country, you know, all this. It's -- it's -- it -- I mean, when I read this, and -- you know, it's hard. That anyone in this room could be a victim of the f.b.i., and at anytime they can go into your house, you know, and they don't need a search warrant. So, I mean, this is -- I mean, this document tells everything. I mean, so that's all.

**Potter:** Thank you.

**Bonnie Tinker:** Good evening. I'm bonnie tinker. And everyone here knows that handwriting is not my strong point. I want to start by saying that I also support chief foxworth and our Portland police officers in providing protection from criminal activity to all of us and protection from violence, and that is their job, and I appreciate that we have a country where they can speak their opinion, even if it differs from our elected officials. I also find that they have demonstrated the reason that we do not leave oversight of police force to police officers. It is the job of our elected officials to protect us from tyranny, and I appreciate the step that you are taking with this resolution and providing us with that protection. I would like to especially say to sam, I appreciate your courage last month in being willing to put yourself on the line as the first person to speak, that we could simply pass this resolution and be clear about our intentions. I appreciate randy leonard's role in bringing this, and, tom, your role in bringing it. And I appreciate, tom, that you have carried through and are now bringing us a new resolution that does in fact provide us with civilian oversight. And erik, i'm glad you have now got good leadership to follow. And I look forward to the time when your own judgment will provide us with that same leadership. Basically I want to say thank you. It is -- I also want to reiterate what others have said. This is a good first step. There is always a need for vigilance, and there is always a need to be aware of the possible violations of civil liberties, the history of the violations of civil liberties. I want to say something to you, dan. It is possible to be concerned about the patriot act and still support the joint terrorism task force. I believe it is not possible to take action to protect civil liberties and to -- without insisting upon civilian support. I do not believe it is possible to support an unsupervised joint terrorism task force and be taking action, not just showing concern, for civil liberties. Once again, thanks to the council.

**Carolyn Timmermann:** Carolyn timmerman. I'm mainly concerned for everybody's safety, including mine. I wonder -- i'm not sure if you know about, there are lots of things going on. And i've come across information, like on 9/11, people I know who work at the airport, informed me we had a plane that was stopped, that was supposed to go out of Portland on 9/11. Also, I had come

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across some information where there was a professor that was working at Oregon state university, and his -- he was doing research on germ warfare, and he was from the arab -- or in that area, countries. And when 9/11 happened, he disappeared. So i'm wondering, you know, if you know things like this going on. I notice in "the Oregonian" they say "well, it's not like we'll be attacked," but we're obscure enough where people can be trained here, because Oregon's nowhere, huh, and they can do things here and not draw attention to themselves. So this is what should be considered.

**Potter:** Thank you. Thank you, folks. Thank you for being here, folks. When you testify, please state your name and try to keep it to two minutes.

**Abdul Majidi:** My name is abdul majidi, a private citizen. I'll try to keep it hopefully below one minute. Mayor Potter, members of city council, thank you for this opportunity. And also, I want to speak to all citizens in this room. What I will say, I will have no problem getting shot by a gun and know it is a one-time or harmed by a bomb and they know it is one time than driving in the streets, and behind me, whenever I see an officer's car, as an arab muslim panicking of being arrested without seeing my family a second time. I don't know -- I came here for freedom and I came here for having a life, but every time it is unbelievable when i'm driving how much I panic. Whenever I come home, I don't know if somebody been in my home or not. The fear for me and other colleagues I speak with is really, really harsh. Please, for me and members in the community like me, whenever they're driving, at work, whenever I hear a police officer or f.b.i. agent or anything coming to visit or do anything, I panic. And in some occasions I have been in another, different community, I was a representative, when I came to u.s., I took jobs to support low income as a volunteer. Habitat for humanity. In another community, I here in u.s. For human rights. Here I cannot volunteer because i'm worried. Thank you.

**Joseph Auth:** Hi. My name is joseph auth. I'm a resident of Portland. I attended a protest about two years ago regarding a timber sale auction of the mount hood national forest, at mount hood national forest headquarters. And 80 people attended this protest. And i'd say for the -- stayed for the first half, and apparently during the later half one individual performed civil disobedience, where they decided to put their body in front s.u.v. Anyway, when I went to this protest, I decided to carpool and help people attend this protest by carpooling those people. And one of the things I found out was that they decided to videotape all the license plates at that protest, and match photos to those license plates, and that was discovered when the person went to court for the civil disobedience charge, and they replayed that videotape where they showed people's faces with their license plates and everything. And I wanted -- through the discovery motion I want to read something quick that was pointed out in the sheriff's report where it says "the captain of the forest service advised me he would make me a copy of the tape and give it and the reports mentioned in my initial report to me on august 5, 2002. The captain went on to tell me a copy of this tape had been federal expressed to the f.b.i. in Washington, d.c. Where they were reviewing it for domestic terrorism reasons and to take still photos of all the people they could off the tape. The captain told me the f.b.i. and u.s. Forest service would then get personal information on all subjects they could based on that videotape." and i'm very concerned of this. I feel like our first amendment is there, because this discovery was based on a system of -- the first amendment's there to establish check and balances for people to have the right to protest when they feel the government is on the wrong course. Thank you.

**Judith Boothby:** Mayor Potter, city commissioners, my name is judith boothby, a citizen of southeast Portland. I'm also a cancer survivor. And I personal think that oncologists are terrorists, because I was given a zero% chance to be alive unless I did a bone marrow transplant, which is a horrible thing. This is the experiment that i'm lived through in learning how to empower myself and in very real circumstances. It's an uncomfortable thing. I can appreciate all the concerns of all the people that have spoken here today. Anyways, i'm also a chiropractor. One of the things I teach

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everyone that comes in my office is about addictions. And addictions are getting a short-term comfort and then a long-term yuck afterwards versus healing is short-term discomfort for a long-term growth and healing. And so I feel that the step you're taking today is towards healing. It might be uncomfortable for people for a short time, but like I had to learn from healing from cancer, which was very uncomfortable, you can get through that. And once you get through that, there will be less problems because you'll have learned something. And i've been to many of these meetings, trying to, in my short speech, say the type of leadership that I would like to see our city have. And I feel like i'm getting to see that now. And I thank you very much.

**Potter:** Thank you.

**Potter:** Is there anybody else who wishes to testify on this matter?

**Moore:** Just go ahead.

**Potter:** Please state your name your name when you testify and try keep it to two minutes.

**Martin Slapikas:** Thank you. Martin slapikas. I live in southwest Portland. Please don't pull the joint terrorism task force out of the Portland -- city council, out of the Portland joint terrorism task force. The wednesday "the Oregonian" headline read "terrorist attacks worldwide more than triple in 2004." my concerns remain the same as I previously stated in my testimony of march 30. Council, in particular commissioner leonard, publicly defined terrorism in the negative. Terrorism is not violating your civil rights, is not invading your home. Following his reasoning, one could then define terrorism as terrorism is not elephants running through the city of Portland. If defining terrorism in the negative remains council's methodology, then the passengers and crew of the airlines and those in new york city, in d.c., and oklahoma were never exposed to terrorism. The following is offered -- terrorism is a use of violence against civilians to promote a cause so unpopular that it cannot succeed without an element of intimidation. Several weeks ago, mayor Potter, you stated the city of Portland has been involved in anti-terrorism efforts for some quite time and cited a beating and murder as an example of the city's efforts. The problem is the city's efforts were completed after the murder. Wouldn't mr. Sura, his family and the community, have been better served if local police efforts were directed toward the prevention of his murder by terrorists rather than after he was killed? He was, after all, a minority. I'm curious as to what questioning skills were involved to solve his murder. Did they too violate Oregon statutes and was a top-secret clearance necessary to monitor the investigation's process? This issue is no longer one of Portland controlling our resources, but rather joining and sharing our resources for the benefit of the whole nation. Violence against unarmed civilians such as what we experienced in the nation in new york city, d.c., and oklahoma, is very possible once those who wish to do so realize how unprotected the heartland of america truly is. What is being ignored in this debate is how the city of Portland will use its resources to protect the society of the tolerant from violence by a society of the intolerant, particularly when that violence is delivered by folks of no considerations whether they live or die. I do not now believe Portland has the resource, or even the will, to handle a mission of deterrence, prevention, or preemption if it pulls out of the joint terrorism task force. That puts us all at risk. This is the first time I ever believed a local political body to purposely put me, my family, and fellow city residents' lives at risk. If this is to continue, shame on city council. Thank you.

**Teresa Teater:** Good evening. My name is teresa teater, Oregon city, Oregon. Good evening, mayor --

**Potter:** Speak up, ma'am.

**Teater:** Ok. I'll get closer. Whoops. Sorry. My name is teresa teeter. Good evening, mayor and commissioners. I left you a letter the day after I testified last time around on this, and the downloads from the internet regarding the intelligence commission, that president bush elected to unify all these oversight of the c.i.a., the f.b.i. activities, and the new standard of clearance that they're probably going to have to operate under regarding the type of clearance the department of defense utilizes. And I wanted to make sure that you got that -- the letter, the document, entered



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into the testimony. I want to share with you a quick story. This is true. This happened this morning. When I testified last time, I spoke to you about the f.b.i. Activities, 1958, regarding my parents in California. I had sent off a freedom of information act piece of paper to d.c. with my father's death certificate requirement of both parents to obtain the records. Didn't have my mother's. I got a phone call this morning from the f.b.i. in Washington, d.c. Ironically I put in that envelope a photograph of great-grandfather's grave in Nebraska City, Nebraska, where my mother's remains are buried, and the man on the telephone from the freedom of information act inside the federal bureau of investigation asked me what my mom's birthdate was, because I didn't send anything about her. I said I didn't know if it was November 1 or November 5, but I think it was 1919. The guy took my word for gold. This is an employee of the federal bureau of investigation, and he's going to put request for the information in the mail now. Now, if that had been a fingerprint and I'd have been somebody else other than who I am, you all know who I am, I'm Joe Blow, nobody, American citizen, but if I needed intelligent information and used it the wrong way, and he just took my word verbatim like he did this morning, and you guys were involved with this, went out and served an arrest warrant on because you had this wrong information given to you based on me giving an f.b.i. Agent a photograph of a grave stating my mom was buried there, and they took that, look at the lawsuit you guys would be facing. So I'm glad to see that you're going to pull out of this tonight. If you drop the J out of Joint Terrorism Task Force, it's just a Terrorism Task Force.

**John Kennedy:** Hello. I'm John Kennedy, a Portland resident. About a year ago I first read news about what happened to Brandon Mayfield and started to realize that agents working within our national f.b.i. attempted to frame him of capital crimes. It freaked me out so much I quit my job to research the matter full time. Unfortunately everything I read confirmed my initial suspicion. This alarms me, because any of us could be profiled and targeted like him, and also because the primary motivation to create the illusion of an pervasive terror network operating around Portland and support the Bush administration's anti-terrorism agenda. That makes the f.b.i. guilty of terrorism according to the Foreign Intelligence Swales Act, which they used to violate Mayfield's rights. In his case, it said he was guilty three weeks after they absolutely should have known and I believe did know that their fingerprint evidence was invalid. For example, according to the May 30 "the Oregonian" they reported that the Portland f.b.i. investigator Jordan sent f.b.i. examiners to Spain on May 20 of last year to examine the fingerprint evidence and they were startled to learn that the evidence was probably destroyed, yet at least a day before an affidavit was submitted to federal court by an f.b.i. examiner stating that the fingerprint evidence no longer existed. According to the "New York Times" from June 6, Spanish and American authorities confirmed that the fingerprint evidence had been destroyed through testing and examination. So shortly after and possibly before the image of the fingerprint was sent on March 17 to the f.b.i., the evidence was already destroyed. The f.b.i. Absolutely should have been informed of this, and if they weren't they absolutely that have inquired about their evidence before they apprehended Mayfield. Why were they startled? And how long did they withhold this information from federal court. According to the May 30 "the Oregonian," a federal prosecutor, cross-examined f.b.i. examiners on April 21 of 2004, who assured her that the fingerprint was 100% match to Mayfield, one of them submitted an affidavit to court saying that they were satisfied with the match to. But according to the June 9, "New York Times," this assertion was contradicted by all 10 Spanish forensics. The national f.b.i. lied to its Portland investigators and prosecutors, causing them to violate their mission of office and divert resources away from fighting crime and terrorism, which makes us less safe.

**Potter:** Mr. Kennedy, you have to wrap it up, sir.

**Kenedy:** Ok. The assurances made to you by the f.b.i. are false. The JTTF is not good cooperation, because it has misled Portland police officers, it does not make us safer when it diverts resources away from terror threats by targeting political patsies, and the f.b.i. will not adequately inform you when they keep their own people in the dark. Mayor Potter, counselors, thank you for taking what

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may be the only opportunity to create accountability for the f.b.i. by demonstrating they can't get away with violating Oregon state law or the rights of its citizens. Thank you for not reinstating the jttf.

**Potter:** Karla?

**Moore:** That's all who signed up.

**Potter:** Discussion on council? Karla, please call the vote.

**Adams:** First off, I want to thank everyone who testified during these two hearings, and all the people who have contacted my office, expressing their views one way or another. I especially want to thank those people that showed up at this hearing and the previous hearing who expressed reservations or opposition to the proposal on the table. I know being in a room full of folks who might think the other way, or feels like they might think the other way, that can be a daunting task. I appreciate the fact that those of you in the room that listened respectfully to that. I think that's very good discourse and i've enjoyed listening to the testimony. I'm going to support this substitute resolution and in doing so I want to laud the leadership of city commissioner randy leonard and of the mayor. I want to thank the mayor and the f.b.i. and the u.s. attorney's office for seeking to come to a compromise the last couple of weeks. And I want to thank the aclu for participating in that. This is a very serious issue, one that i've spent a lot of time researching, talking to people about, and i'm convinced that we can prevent terrorism and pursue and prosecute terrorists under the provisions of the substitute resolution. And I think that we will and we can, while protecting the basic rights of all people. I really hang my concerns on -- i'm just going to -- with your indulgence and patience, mention, as I did last time, a few of the provisions of the patriot act that cause me to support the mayor's and commissioner leonard's effort from more local accountability, and that's the provision of the patriot act, section 2115 allows that the disclosure of information without adequate judicial consent. The very radical american library association calls this provision of the law "a present danger to the constitutional rights and privacy rights of library users and has urged congress to limit or repeal it." section 2213, it's called the sneak and peek provision, it allows the f.b.i. to search a person's home or office without telling the person until days or weeks later. Section 505, the national security letters, which has directives to internet service providers to reveal names, addresses, length of service, and billing records without judicial review. Section 412 of the act authorizes noncitizens suspected of aiding terrorist organizations to be detained indefinitely without meaningful judicial review, and there have recently been court decisions that have -- that have slapped the federal government for what has been ruled unconstitutional detention of noncitizens. These are just a few of the sections of the u.s.a. Patriot act that I have very serious reservations over, and I think, you know, my -- my view of my responsibility as an elected official is to not ignore them, to not pretend like they are not there, but instead, you know, here on the local level, or the patriot act, and the partnership with the city of Portland comes together, that the additional, very common sense accountability requested by the mayor and by the commissioner I think is very reasonable. So i'm going to vote yes for this. Again, I want to thank everyone for their participation. Aye.

**Leonard:** When I first ran for this job -- well, I was elected 2 1/2 years ago, but started running about three years ago, I spoke to a fairly consistent issue that i'd like to think i've followed through on, and that is accountability of employees of the city up to and including supervisors to include of the elected official in charge of every bureau. Since first being honored to be an -- to being elected to this position, i've really tried to follow through on that in all of my assignments, including the permitting system in the city, including the system that delivers neighborhood services, including the system that collects taxes. I really think that i'm comfortable saying that i've consistently followed through with that issue. Sometimes it's made some of those in the room that are happy with me tonight not happy, and vice versa. I think it's unreasonable to ask the commissioner in charge not to have full access and accountability to all of the employees under that commissioner's

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responsibilities. Our system of government was founded on if unique, but by now time-tested principles of governance. We elect our civilians to be the head of our different branches of government. The president is responsible for the military and all of the federal police. And the mayor is responsible for the police bureau and all of the Portland police. This principle, in my opinion, is the cornerstone of our form of government. I've spent the better part of my life as a member of a public safety organization, whose leader has always been recognized as the elected commissioner in charge. It is that principle ironically that men and women, as we speak, and has occurred over the last 230 years, have fought and died for. I want to remind people that it was my vote from this very seat that I casted the no vote two years ago that caused the resolution to fail that opposed the invasion of Iraq until the United Nations supported that invasion. I believe the president when he argued that there were weapons of mass destruction in Iraq. I believed that the state of Israel would be the target, and I said so at the time, of a nuclear and/or biochemical attack by Iraq. As it turned out, my trust in what I was told was betrayed. I now have adopted another guiding principle that guided another president -- trust but verify. There is nobody in this room who cares more than I do about the welfare of this city's police officers and firefighters. If I thought that by my vote tonight I would put at risk their lives I would not vote the way I'm prepared to do in a moment. My no vote will not do that, in my opinion. I think this agreement actually creates a better relationship than the one that currently exists after carefully reviewing the product of Mayor Potter's and the federal government's negotiations, I'm impressed that it sets up guidelines and principles and reporting mechanisms that probably should have been in place were we a part of the JTF. I'm very confident that our city's firefighters, police officers, and citizens are going to be protected. Want to remind people that according to the head of the F.B.I. Here in Oregon, Robert Jordan, he said to both the mayor and I, and to the citizenry, that no Portland police officer ever was, nor ever planned to be used in a top-secret investigation. This agreement with the federal government simply incorporates that into written language. There's a balance that has to exist between the rights that are afforded us under the bill of rights and the community's right to be safe and secure in their homes. Supreme Court Justice Oliver Wendell Holmes wrote nearly 100 years ago, the right to free speech doesn't include the right to yell fire in a crowded theatre where there is no fire. The right to assemble, worship or not the god of your choice, must remain unfettered. In this society we need checks and balances over all the function of our government and that the inalienable right of our citizenry to be free continues to remain a constant principle. The vote that I'm going to take tonight, I think, upholds that principle. Aye.

**Saltzman:** Well, I respect very much the work of the mayor and the F.B.I. and the U.S. Attorney's office over the last three weeks -- or four weeks actually to try to reach an effective compromise that will allow us to remain a participant in the joint terrorism task force. I'm indeed disappointed that those talks did not succeed. My ideal outcome would be that those talks would continue and we would find a way to participate, because I think our participation in the joint terrorism task force is important. So I will not support this resolution, but with all due respect to the mayor and my colleagues on the city council, I think that the resolution is a step backwards. To isolate our police to joining the joint terrorism task force only during a critical incident or imminent threat does not equal prevention. And prevention of terrorism is really very critically important. And I believe that's so, and I believe this is setting up an artificial barrier to our participation. And I think, unfortunately, what happens sometimes when the city -- when we embark on something that is unique in the nation, we often get in the spotlight as we are tonight in the national spotlight, in the local spotlight, everybody watching, it inhibits sometimes effective negotiations, and I think we get into our corners and we play to the crowd. And I think unfortunately that's what -- it's overcome all this issue. The symbolism of this issue doesn't really matter what this resolution says, it's the symbolism here. On principle that's why I can't support withdrawing from the joint terrorism task force. I think there's a lot of good steps in this resolution, but I think there's a step backwards and

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i'm deeply disappointed in that. I think there is a lot to be said for multiagency cooperation. We talk about only the f.b.i. here, but the joint terrorism task force involves law enforcement at all levels of government throughout the state and the local area. And I think it's been proven to work in other task forces. It works on child abuse, internet child exploitation task forces. We just formed a cold case unit involving joint local, state, and federal task forces. The benefits of working in the same place are real. I think this is a step back in that regard. The threat of terrorism is also real. It not just international terrorism. We live in the pacific northwest, which is a haven for hate crimes, abortion clinic bombings, or mailing anthrax to abortion clinics. And we ought to recognize that and realize that it's a very real threat. I think, again, we are setting ourselves up to respond, when something's on the horizon, or in our laps, but not to prevent it from occurring in the first place. It's been quoted back to me tonight, yes, I did say, "one can be concerned about the patriot act and still support the joint terrorism task force." I authored the resolution that city council passed expressing our concerns about the very same provisions commissioner adams just cited in the patriot act. I'm glad the congress is now looking at reauthorizing the patriot act, and I hope they will make those changes, but that doesn't mean you can't support effective cooperation in critical cooperation among law enforcement agencies. I believe that we can't juxtapose our concerns about the patriot ok on to this debate here and now. Yes, my trip to work, over spring break, was influential. I won't pretend to speak for 8 million new yorkers, but I will speak for myself and how I felt and how I feel that we would be letting new yorkers down to do something that is less effective, and I believe it's true. I saw it in the eyes, the apprehension, the fear, of 9/11. To could you say of us of invoking the specter of 9/11 anytime we support combating 9/11 is fallacious. 9/11 is here to stay. It's in our memories. It's never going away. It will affect my young daughter, it affects all of us, and to somehow discount that and to say we're using cheap political theatre to invoke of spirit the 9/11 I totally object to that. I believe our failure to be in the joint terrorism task force here puts other americans at risk, not just in Portland, Oregon. In fact, it probably puts people in new york, Washington, d.c., los angeles, san francisco, more at risk because those probably are more high valued targets, but we are a country, and to make this city somehow sound like we are a federal government in ourself is the wrong line of logic. We're not a federal government. Ok? We belong to a federal government. We're part of a nation. And we have an obligation as a nation to recognize, to learn the lessons, and the failures of the past, as have been so well documented by the 9/11 commission, failures to cooperate are what led to attacks like 9/11, failures to cooperate along law enforcement agencies. It's there in black and white. We can't make the same mistake repeatedly. So I do hope -- I will oppose this resolution, but I do hope that we will revisit this in six months. The hope the mayor will continue to work with the f.b.i. and the u.s. Attorney to find a way to get to yes, because I believe it is critically important, and I believe the majority of our citizens in the city feel the same way. I vote no respectfully.

**Sten:** I've had the great privilege -- I want to make two points based on this, and it was a difficult privilege to sit through, I think, three of these hearings over the years, that were very passionate, very eloquent, and I think many of you were here, and we've all both spoke and heard, I think, terrific and real arguments about rights and how a democracy works and the right role of law enforcement. I'm not going to attempt to try and do better than you've done over the years. I want to do two things, though, before I vote. I'm going to support this. I have voted in the past to stay in the task force. I want to put those votes in historical context, in what I think is some unique and groundbreaking leadership by mayor Potter, in particular by commissioner leonard in helping him to get there. Here's how I want to say this -- it is a completely false argument that it's running rampant through the other side of this that Portland has unilaterally withdrawn from this task force. We've been in this task force for years. I've been in this task force -- i've supported to be in this task force for years, against what I will be very honest has been, and many of you could remember these conversations we've had in the halls after this, my own gut instinct that the setup was the best

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it could be. My instinct was that we were given a false choice by the federal government, either being protected, being part of the task force, or getting out. And I did not like that choice. I've never liked that choice, but particularly the first vote that came shortly after 9/11, and i'm not going to wax about 9/11. I think everybody has their own feelings. It's in everybody's hearts and minds. You can judge that by yourself. But we erred on the side of getting in the task force. I don't regret that vote. I look at it in context at this point. It was a moment in which we were all trying to figure out what is the proper response to the situation. And it seemed to me at that moment that we were better off cooperating, which we will still do, and this is an important point driving towards under mayor Potter's resolution, his resolution is an entirely different approach than the false choice of yes or no that we were working with before. He's proposed a way to work directly with the f.b.i., to keep our officers with the clearance they need to in case of a real threat to get there, to have constant communication, to keep himself in charge. This is a totally different choice, and it's the right one. And it is a really sad day that we have had to negotiate that locally and the federal government has taken no steps over the years to try and figure out ways to solve these very real and pressing problems. And Portland did not pull out. Portland waited three years for the federal government to come up with a rational approach to this. Then we pulled out. And I think that's a very, very important point. And underscores what's going on here. The decision was to work with them despite the flaws. It became clear over the next year or so that there was not a lot of effort. And there actually was some misinformation. The special agents in charge of the f.b.i. Who testified here in 2002 said it was not legal for the mayor to have secret clearance. We found out, when special agent Jordan came to town, and I actually compliment him for this, that it was legal. So in 2003 we were told, and commissioner Leonard and I, were both looking at each other and were very close to voting to get out at that point. The f.b.i. said at that point the mayor can have the clearance he needs to oversee the task force. We still had an ideological and symbolic argument, but we had the oversight that we thought that everybody wanted. It was not clear -- it was clear at that point that the f.b.i. had changed their position. What was not clear is that secret clearance wasn't the same as the officers. That was a missed point of. It then developed that the mayor did not have the same clearance. So here we thought we had some clearance, and we didn't. Again, we were still in the task force. I don't want to go on forever, but I think there's a completely false notion that Portland is just pulling out of this thing. It is absolutely wrong to frame it that way. Portland has worked very, very hard to stay in this. At this point mayor Potter has come on in charge and basically said "I will negotiate a way to do this. I have one fundamental principal, which is the elected official in charge has to have the same clearance as the people he supervises." I don't see how you can argue with that. It's certainly every issue at the level of the government. It would be absolutely reprehensible that president Bush shouldn't see what the generals see in terms of the war. It's absolutely fundamentally analogous. The position we've taken is very, very clear. I believe the federal government has made a decision, a conscience decision, to keep local elected officials out of the stream of information. That leads me to the larger point that I want to make. I waded through this whole process, as did other people who care about both civil rights and safety, who are worried about -- I am worried about how do we best protect our community and how do we not undercut our democracy, all those things we care about in the press to do that. We waited. We then had the 9/11 commission report out. There's a lot more information than three years ago, and it is a fundamental purposeful mischaracteration of that report to argue that what it says we should keep our two officers in this. What it says is that a lack of communication caused 9/11. A lack of communication means you have to broaden the loop to get all the necessary people into it, and that includes local elected officials and others. The lack of communication didn't say if you shut the loop down and just added two Portland police officers you'd have communication. The whole fundamental argument of the 9/11 commission, as I read it, is very analogous to what Tom Potter did as chief of police, which is community policing. You stop these things by having the community

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involved. The community cannot be involved if they don't feel safe and if they don't have access to the information. And i'm not an expert to judge, but it sure looks like from where i'm sitting the brandon mayfield case is the prime example. It's hard to believe that that could not have been avoided with more local input as to what was actually going on in that situation. So I believe this is a step toward implementing the -- the argument of why we failed. We have to open up our society. I had the great honor to serve as fire commissioner for several years. We would get alerts that we were moving from a red to orange, whatever it was. I would call the fire chief and say are we ready? She'd say sure. I'd say, what's the alert for? They don't tell him. They don't tell the fire commissioner. That's not opening up the communication loops. The way you open up the communication loops and stop these things is to get people like tom Potter into the loop, not tell him he can't be trusted. I'm not asking for secret clearance. I'm not asking for top-secret clearance. I'm simply saying if our mayor cannot see what our police officers see, after years -- we worked on this for a long time. We gave the f.b.i. plenty of time to work with us. We've come up with solutions on our own. We've proposed solutions. And what finally I think makes us an unassailable argument at this point, we've got a protocol in place to make sure we're still going to be safe. The protocol in this resolution will absolutely guarantee -- also, I want to be clear, because special agent jordan has been helpful in trying to work to make sure -- he was able to do this. He was able to set up a line of communication with mayor Potter that makes sure that Oregon law cannot be violated, proper civilian oversight is in place and we'll be safe. And I think this action hopefully will begin to send a message to the federal government that in order to work with local communities you actually have to work with local communities. Aye.

**Potter:** It's been an interesting few weeks. I've had a lot of discussions with a lot of people. 500 good citizens of Portland have emailed and called my office with their concerns, either for staying in or for going to the resolution that we have before us. I've listened to the police. I've listened to lawyers. I've listened to my heart. And I think that in this country there's an old-fashioned principle that the police or the military have to be answerable to civilian oversight. The president has to have that control over the united states military. The police commissioner has to have that oversight over the Portland police bureau here. I think when we look at our history we can see examples of when we blindly give people power and that they use that power sometimes the power is misused. And it is within our lifetimes that we have seen that. So we're not talking about an ancient history. We're talking about recent history. We have people sitting in this room who have felt the effects of the abuse of power. And I can appreciate that. I don't think that whether we stay in or out of the jtff will determine the safety of Portland citizens. I think what will determine the safety of Portland citizens is that when we work together, when we watch out for each other and care for each other, that our society is safer, because fear has many faces. I listened to the gentleman from the muslim community talk about seeing a police car in his rearview mirror. That's a common feeling for a lot of folks, is to feel afraid. Before I became a police officer, I used to feel that way. But often it was because I was probably doing something I shouldn't have with my vehicle, but the truth is, is that this isn't to impugn our police officers. I think we've got very good Portland police officers. This isn't to impugn even the federal government. I've acquired a respect for robert jordan, our f.b.i. agent in charge, and karen immergut, the u.s. attorney, and I know that chief foxworth and myself will be able to work with them, and that when those times come, and I hope they never do, that we need to sit down and talk about something that's going to happen soon in Portland, then we can have that conversation, we can acquire the information, and we can help each other, because that's how communities protect each other, is by helping and working and caring for each other. I don't think Portland is a strange city. I don't think that we're really that much different than most any other city in the united states. I think, though, that we are concerned about ensuring that we have a proper balance between protecting people's physical security, the property that they own, and balancing that against their rights. We know that when rights

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disappear, we don't have to worry about the others, the persons and the property, because we'll never know, because if we don't have the first amendment, if we don't have all the protections of the constitution, we will not survive as a country. So yes, we do face and fear possible terrorism activity, but I want us to be together. If something were to happen in this city -- I was recently told by a media person that if something happens in this city, i'm toast. And depending on how close to the event they may be right or they may be wrong, but in terms of us working with each other and this city council doing what it thinks is the right thing, there's no doubt in my mind that we are doing the right thing. There's no doubt this my mind that we will continue to protect the safety of Portlanders. We have had conversations with chief foxworth, with the u.s. attorney, f.b.i. We said that when there are times we need to work together we will work together. We will give you what you need, but we'll do it with the supervision and control that is put into the city charter. We're not the u.s. Government. I don't pretend to be. I'm not the state government. I don't pretend to be. But I am the police commissioner, and I have a responsibility to ensure that our officers are doing what they say they're doing. It's as simple as that for me. And so tonight, I know there's a lot of feelings, and i'm pretty sure I know what the editorial will be in the morning, but the fact is in the city of Portland, your city council does care about you. I respect the rights of our city council to have differing opinions. Each of us came to this from a different point of view. The four of us came to a point of view where we think this is going to be in the best interest of our community in the long run, and that tomorrow morning when we wake up chances are we're still going to be sleeping in the same bed and nothing will have happened. I think as we move through this and down the road, and we see how this works out, and I have conversations with the f.b.i. agents, the police chief, and the u.s. Attorney, I think that we will see that this can work for us to ensure the safety of our people, to ensure that when you see a police car in your rearview mirror you know it's there to protect you. And so with that i'm going to vote aye. I wish you all a good evening and city council is adjourned. [gavel pounded]

At 8:06 p.m., Council adjourned.