



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **13TH DAY OF JULY, 2005** AT 9:30 A.M.

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

Commissioner Sten was excused to leave 12:07 p.m.

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

Item 762 was pulled for discussion and on a Y-5 roll call, the balance of the Consent Agenda was adopted.

COMMUNICATIONS		Disposition:
755	Request of Don D. Land to address Council regarding a proposed plan of action (Communication)	PLACED ON FILE
756	Request of Paul Phillips to address Council regarding Catholic Health Association information (Communication)	PLACED ON FILE
757	Request of Richard L. Koenig to address Council regarding a fair trial (Communication)	PLACED ON FILE
758	Request of Lisa McMahon to address Council regarding long-term parking fees (Communication)	PLACED ON FILE
759	Request of Freedom Child to address Council regarding issues with the Police (Communication)	PLACED ON FILE
TIME CERTAINS		

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<p>760 TIME CERTAIN: 9:30 AM - Declare desire of City Council to partner with the Portland Public Schools and other public and private stakeholders in an evaluation of the future of the headquarters site at the Blanchard Education Service Center and nearby properties and declare support for partnerships to better provide central support services, improve the financial picture of the school district, encourage economic development in the area and promote the use of local produce in the food prepared for students (Resolution introduced by Commissioner Sten)</p> <p>Motion to accept amendment to add the words “BE IT FURTHER RESOLVED, that within 45 days the City Council directs of Bureau of Planning to submit for Council approval an implementation plan for its development strategy and urban design vision, including proposed phases, costs and a timeline for completion; the plan should also include an outline of other bureau responsibilities, needed resources, and expected outcomes, in particular, the prospective contribution of PDC in identifying and responding to potential partnerships and unexpected opportunities; and”: Moved by Commission Leonard and seconded by Commissioner Adams. (Y-5)</p> <p>(Y-5)</p>	<p>36328 AS AMENDED</p>
<p>CONSENT AGENDA – NO DISCUSSION</p> <p>Mayor Tom Potter</p> <p>Office of Management and Finance – Bureau of Technology Services</p> <p>*761 Authorize Intergovernmental Agreement with the Port of Portland for a Conduit Sharing Arrangement (Ordinance)</p> <p>(Y-5)</p>	<p>179407</p>
<p>Police Bureau</p> <p>*762 Accept a \$84,952 drug trafficking interdiction grant from the Oregon State Police under the High Intensity Drug Trafficking Area Program (Ordinance)</p> <p>(Y-5)</p>	<p>179414</p>
<p>Commissioner Sam Adams</p> <p>Bureau of Environmental Services</p> <p>763 Accept ownership of 272.2 lineal feet of 8-inch concrete sanitary sewer pipe located within the 9800 Block of NE Multnomah St. from Tri-County Metropolitan Transportation District of Oregon (Ordinance)</p>	<p>PASSED TO SECOND READING JULY 20, 2005 AT 9:30 AM</p>
<p>764 Authorize a contract and provide for payment for the construction of the Tanner Creek Sewer Relief Project, Phase 3, Project No. 5501 (Ordinance)</p>	<p>PASSED TO SECOND READING JULY 20, 2005 AT 9:30 AM</p>

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765	Amend contract with TetraTech/KCM, Inc. to extend the contract term beyond 5 years for the Tanner Creek Phase Three and Four Projects No. 5501 and 5407 (Ordinance; amend Contract No. 33131)	PASSED TO SECOND READING JULY 20, 2005 AT 9:30 AM
Office of Transportation		
766	Grant revocable permit to The Portland Challenge to close SW Ankeny Street between 2nd and 3rd Avenues on August 21, 2005 (Ordinance)	PASSED TO SECOND READING JULY 20, 2005 AT 9:30 AM
767	Grant revocable permit to Pacific Real Estate Management Group to close NW Couch Street between 11th and 12th Avenues on August 25, 2005 (Ordinance)	PASSED TO SECOND READING JULY 20, 2005 AT 9:30 AM
768	Grant revocable permit to CC Slaughters to close NW Davis Street between 2nd and 3rd Avenues from August 20, 2005 to August 21, 2005 (Ordinance)	PASSED TO SECOND READING JULY 20, 2005 AT 9:30 AM
*769	Grant revocable permit to Rain or Shine Productions to close SW Columbia Street between SW Park and SW W. Park Avenues from July 21, 2005 to July 24, 2005 (Ordinance) (Y-5)	179408
770	Authorize negotiations for the acquisition of temporary construction easements necessary to complete improvements to NW 23rd Avenue, between Burnside and Hoyt Streets, with efforts to be conducted under the Eminent Domain Authority of the City (Ordinance)	PASSED TO SECOND READING JULY 20, 2005 AT 9:30 AM
771	Amend contract with David Evans and Associates, Inc. to provide construction engineering assistance for the NE 33rd Ave and NE 33rd Drive Bridge Replacement Project (Ordinance; amend Contract No. 35496)	PASSED TO SECOND READING JULY 20, 2005 AT 9:30 AM
772	Grant revocable permit to Oba Restaurant to close NW Hoyt Street between 12th and 13th Avenues on August 18, 2005 (Second Reading Agenda 731) (Y-5)	179409
Commissioner Randy Leonard		
Water Bureau		
*773	Authorize a sole source contract with the Youth Employment Institute to provide a summer work experience program to support at risk youths (Ordinance) (Y-5)	179410
Commissioner Dan Saltzman		

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Parks and Recreation

- 774** Authorize Intergovernmental Agreement with the Oregon Zoo for arboricultural services provided by Portland Parks & Recreation - Urban Forestry Division (Ordinance; amend Ordinance No. 179240)

**PASSED TO
SECOND READING
JULY 20, 2005
AT 9:30 AM**

Commissioner Erik Sten

Bureau of Housing and Community Development

- *775** Authorize subrecipient contracts with eight new projects and seven continuing projects chosen to further the goals of the Economic Opportunity Initiative and provide for payment (Ordinance)

179411

(Y-5)

- *776** Authorize Intergovernmental Agreement with City of Gresham for the completion of the inter-jurisdictional Five Year Consolidated Plan 2005-2010, One Year Action Plan 2005-06 to meet affordable housing goals and to receive payment (Ordinance)

179412

(Y-5)

- *777** Authorize Intergovernmental Agreement with City of Gresham for the completion of the inter-jurisdictional One Year Action Plan 2006-07 to meet affordable housing goals and to receive payment (Ordinance)

179413

(Y-5)

REGULAR AGENDA

- 778** Accept bid of Dunn Construction for the SE 60th Ave. and SE Steele St. Sanitary Sewer Extension Project for \$1,622,159 (Purchasing Report - Bid No. 104164)

ACCEPTED

(Y-5)

Mayor Tom Potter

- 779** Reappoint Charles Rosenthal to a three-year term as a citizen member of the Board of Trustees of the Fire and Police Disability and Retirement Fund (Resolution)

**CONTINUED TO
AUG 17, 2005
AT 9:30 AM
TIME CERTAIN**

Office of Management and Finance – Financial Services

- *780** Authorize contract with ING Life Insurance and Annuity Company for investment services for City Deferred Compensation Plan (Ordinance)

179415

(Y-5)

- *781** Revise provisions of City Deferred Compensation Plan (Ordinance; amend Code Chapter 5.09)

179417

(Y-4)

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Office of Management and Finance – Purchasing		REFERRED TO COMMISSIONER OF FINANCE AND AMDMINISTRATION
782	Authorize contract with Gateway Companies, Inc. for an annual price agreement for desktop and notebook computer systems (Second Reading Agenda 748)	
Office of Neighborhood Involvement		179418
783	Revise City Office of Neighborhood Involvement policies and rules (Second Reading Agenda 752; replace Code Chapter 3.96) (Y-4)	
784	Adopt revised Standards for Neighborhood Associations, District Coalitions, Business District Associations and the Office of Neighborhood Involvement (Previous Agenda 753) (Y-4)	36329
Commissioner Sam Adams		179419
Bureau of Environmental Services		
785	Authorize contract with Jacobs Associates and provide for payment for supplementary construction management services to the East Side Combined Sewer Overflow tunnel, shafts, pipelines and appurtenant structures, Project No. 5516 (Second Reading Agenda 749) (Y-4)	
Commissioner Erik Sten		179416
Bureau of Housing and Community Development		
*786	Support Housing Authority of Portland application to the U.S. Department of Housing and Urban development for a HOPE VI Revitalization Grant to redevelop the Iris Court Cluster public housing project and authorize an Intergovernmental Agreement with the Housing Authority of Portland for the redevelopment of Iris Court (Ordinance) (Y-5)	

At 12:11 p.m., Council adjourned.

GARY BLACKMER
Auditor of the City of Portland

By Karla Moore-Love
Clerk of the Council

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

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<p><u>WEDNESDAY, 2:00 PM, JULY 13, 2005</u></p> <p>DUE TO LACK OF AN AGENDA THERE WAS NO MEETING</p>	
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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.

JULY 13, 2005 9:30 AM

Potter: Good morning, everybody. Just want to make sure you're in the right places. This is the Portland city council. And we have some very special guests today. Each wednesday morning we begin our city council with talking about young people and children, because in many areas of the world, particularly in some of the areas in africa, tribal members greet each other, instead of saying "hi, how are you?," they greet each other with "how are the children?" the reason they do that is they know when the children in a village are healthy, when they're taken care of, when they're well educated, then the village is good. And so we ask that question here. And what we do is that we have experts come in and testify about different children's and young people's issues. Well, today we're really fortunate. We have over 60 experts with us. They all happen to be young people. And so today we're going to be hearing from three of them. And commissioner Saltzman will introduce the rest of them. What I would like to do is to have suada ibrahim and anael jeannis and christina li come up, please. I beg your pardon for mispronounceing your names. You can tell us how to pronounce them correctly. And at this point going to turn it over to commissioner dan Saltzman.

Saltzman: Thank you, mr. Mayor, and members of the council. It's a great opportunity to have people participating in our summer -- the city's summer youth employment program here today. As you can see, they fill the back row of the chambers there. And maybe if all the summer youth employment interns could just stand up for a minute so we can get an idea of how many of you are here. Whoa. Great. [applause] thank you. Before we turn it over to our panel, i'll just give a few highlights. The city council, in the waning days of last budget session, decided to double the number of interns that we could have working here this summer from 35 to 70. And you can see, the bureau of human sources has fulfilled its mission of doubling that. I think there's at least 70 people here. I thought it would be interesting to read some of the -- and the immigrant refugee consortium -- immigrant refugee community of Oregon has helped to locate a lot of these students and to work to get them into the jobs in the city. But we have virtually just about every bureau in the city participating, and just a little demographics on who our interns are. There are 36 males, 34 females. They range in age from 14 to 24 years. We have 29 african american, eight hispanic, four asian, two native american, and 27 euro-american. Some of the schools they represent include aloha, franklin, parkrose, Portland opportunities industrialization center, Portland community college, benson, grant, roosevelt, catlin gable, jefferson, st. Mary's, centennial, madison, wilson, david douglas, meek professional technical high school, and rosemary middle and high school. We've got a good cross-section. We know they'll get a good experience here in the city this summer. I have some of their job titles. They range from assistant swim instructors to office assistant to file clerk to recreation leader, youth advocate, assistant preschool teacher with Portland parks. So they're getting a good variety of experience. We hope it will be a favorable experience that many of you may decide that careers in city government are the way you want to go once you complete your schooling. So with that i'll turn it back over to our panel of interns. Thank you.

Potter: Would you each identify yourself by name when you speak. We'll start over here with this young lady.

Christina Li My name is christina lee, 17 years old, and i'm from lincoln high school.

Suada Ibrahim: My name is suada ibrahim, 16 years old, and i'm from jefferson high school.

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Anael Jeannis: My name is Anael Jeannis, 16 years old, from jefferson high school in Portland.

Potter: Each of you have something you want to tell our city council. We'll start over here again, christina.

Li: Currently working with the bureau of development services. Even though i've been there a little over a week i've gained a great amount of knowledge and skills. For example, I learned to use land use programs like g.i.s. And garth to find property lots to inform residents if areas near them are developing. I've also been to several meetings involving current changes and future changes to the city, like the ohsu tram, restoration of meier & frank, and river renaissance. I'm aiding in helping planners with cases that have both been completed and are ongoing. This is actually my second year in the program. And so last year I was working with the bureau of planning. And reflecting upon both of my summers, I could see the differences in bureaus and their connections interlacing with each other. Like the bureau of planning, I -- well, the bureau of planning involved plans that are in the future, like 50 years from now. And what I did last year was mainly a lot of writing, including writing memos, minutes from meetings, visions, while this year working for the bureau of development services I was working with more of the ongoing plans, current plans, and it involved more of clerical work, more a broad base of reception skills involving scanning, printing, copying. And I would just like to thank the city of Portland for giving me this opportunity this year for me to increase my working experience. So thank you.

Potter: Thank you.

Adams: Thank you. [applause]

Ibrahim: I'm here today to talk to you a little bit about my job and how it's like working with the development services. The combination inspection section, who they are, they expect one and two-family development. But before I begin, I would like to thank the organization for giving us this opportunity, and elisha Washington and sara neilson for having training before we started working.

July 5 was the first day of my job. I was nervous at first, but once I got to meet my supervisor and my coworkers I was happy to be working with the development services. They showed me everything I needed to know and how to do it. Some of the things I covered at my job are faxing, copying, dropping mails and picking up mails, making outgoing calls and receiving incoming calls.

And entering data in the computer. The good thing about working is when you work with good people, because no matter how hard or easy the job is it wouldn't be the same if you -- if you were working with bad people, because you would feel less comfortable. So that's all. I just want to thank you guys for giving me this opportunity.

Potter: Thank you. [applause]

Jeannis: Once again, my name is anael Jeannis. I work for the Portland parks and recreation. In the mornings i'm a swim instructor and I take the kids out in the water and I do floating with them and kicks and I show them different skills on how to mastering swimming and how to do laps and stuff. In the afternoon, I facilitate the slide and rope. What I do is I sit at the top of the slide and give a space between people that's going down the slide so they won't hit each other at the bottom. Also at our facility, we have a big rope where we let the kids climb up or swing on. I would like to thank the city for this opportunity because it's opened doors for me, how to be a man and step my foot out into the real world. Thank you. [applause]

Saltzman: Thank you very much. And it's a great privilege to have you working here for us this summer. I also just wanted to thank yvonne deckard, the head of the bureau of human resources, to ramp up this program quickly when the city council decided to go from 35 to 70 people working for us this summer, young people.

Potter: Yvonne, raise your hand over there. [applause] I hope to see you folks back here in a few years as permanent employees of the city, and perhaps sometime beyond that sitting up here.

[applause] thank you for being here.

*****: Thank you.

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Potter: And we're going to start the regular council meeting. If the young people wish to stay, that's fine. If you need to leave, that's ok, too. So thank you for being here. Thank you.

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

Adams: Thank you very much. [applause]

Potter: Probably a good decision on their part to leave.

Saltzman: They've got to go to work.

Potter: They got to go to work, yeah.

Potter: City council will come to order. Karla, please call the roll. [roll call taken] [gavel pounded] Karla, we'll hear communications. Would you read item number 755.

Item 755:

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

Don D. Land: Don land. For the last 25 years, i've been working in trying to identify an emerging culture, that is actually part of the homeless and poverty issues. And what i'm trying to do now is actually bring the information that i've been able to amass that is readily available to all of us to recognize that the homeless issue is in fact an emerging culture. In 1978 I took an oath to defend this constitution of this state and this nation from all enemies, foreign and domestic. By 1981 it became clear to me that we were losing the greatest financial economic engine to our country in the face of communism and the collapse of the cold war. And I knew that we would have to find a new enemy to keep this engine running. And now here we are in the face of terrorism, where the homeless and poverty-stricken are now being demonized to the point to where there's plans called garden plat and other plans being developed by fema to round up homeless people as a threat to our society. The problem I see with that is that as long as we continue to address homelessness on an individual issue, on an individual basis, we're remiss in our duties of recognizing that it is a cultural group, and we need to create a body of representation for that cultural group so that we're not violating our own constitution, article one, section one, section 26 and section 34. What i'm asking the city council to do is to create a commission, or to create a body of people, whose primary function is to identify the different gradients of homelessness, according to those who are willfully homeless or divergent homeless because they don't want to participate in the social order, or financial gain or all these different other reasons. In fact, yes, there is people who are holmes because they have mental disabilities or other kinds of social disabilities. I'd ask you to contact the city council of arcata, california, to talk to them about the work that i've done down there as well. What they've done is removed themselves from the prevalence of pervasive fear and actually opened up their city by having a -- the ability to come to the city of arcata for amnesty. And i'd like to -- like for the city of Portland to take a look at that, to see if the problems we have can be resolved simply by general amnesty of some degree. Also, by the way, mayor, I forgot to say, i'd like to thank you, and extend my gratitude toward you, for withdrawing this city, my city, from the jtff. We don't need those fear pimps. Thank you.

Potter: Thank you, sir.

*******:** Have a good day, sir.

Potter: Karla, please read the next item.

Item 756:

Potter: Thank you for being here, mr. Philips. Please state your name when you testify. You have three minutes.

Paul Phillips: Thank you. I'm paul phillips. And I have spoke before about the catholic health association u.s.a..org www.chsusa.org is their website. I made a mistake saying that john kitzhaber had worked at rosemary medical. What it actually is mercy medical center of roseburg. You remember the open form letter that I addressed to him that was printed in the east Oregonian newspaper, pendleton newspaper, addressing growth rings and my injury at a catholic hospital. I'd

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like to read the 14 hospitals that's on this list. This is from the catholic health association u.s.a. Website. These are just Oregon hospitals. 14 of the 57 for the total of the state of Oregon. That's 24.5% is catholic-owned here in Oregon alone. Baker city, st. Elizabeth health services. Bend, st. Charles medical center. Eugene, sacred heart medical center. Florence, peace harbor hospital. Hood river, providence hood river memorial hospital. Medford, providence medical medical center. Milwaukie, providence medical hospital. Newberg, providence newberg hospital. Ontario, holy rosary medical center. Pendleton, st. Anthony hospital. Portland, providence Portland medical center. Providence st. Vincent medical center. That's also of Portland. Roseburg, mercy medical center. Seaside providence seaside hospital. And they're all nonprofit and charitable organizations. This letter, it's also addressed to -- well, it's from the catholic health association at the same time regarding health and human services secretary thompson's comments on hospital billings. I had, after obtaining the evidence of 614 hospitals, presented complaints to the united states department of health and human services, medicare, the department, the g.a.o., government accounting office, and medicare as well if anybody would pay attention if statements of 10% of the nation's health system is catholic-owned.

Potter: Thank you, sir. Karla, read the next item, item 757.

Item 757.

Potter: Mr. Koenig, you have three minutes. Please state your name for the record.

Richard L. Koenig: Richard koenig. Good morning, Portland, city council. I'm glad we're entertaining fresh blood here in the city. Before commissioner Leonard is solicited for his input regarding harry auerbach, i've got old business with the mayor. Mayor, there are rumors to the effect that you do not truly convey the intent -- your intent to be me on june 29, when I asked you about nancy hamilton's process intended to ban me from city offices. Some have even suggested that you mislead me with the intent to set me up for an arrest. To clarify exactly what you did intend, i'm asking you now, do you support nancy hamilton's process to the point where you're willing to become liable for it as her boss? I've given you the protocol for answering.

Potter: Mr. Koenig, you understand that you're here and you can state what you want, but we don't respond. So please continue. You've got 2:05.

Koenig: You have the option to communicate and I appreciate your submission being open and transparent. Anyway, i'm a member of the public who's been investigating organized criminal activity on the part of the police bureau. I've identified the chief deputy city attorney harry auerbach has someone helping to cover up this criminal activity. Mr. Auerbach has insisted that there's a law somewhere that authorizes the regulation and seizure of vehicles used by the public. However, he couldn't even produce a law that requires license plates on personal use vehicles when required to do it, he was inquired required to bring it here before city council under the public record law. Despite this shocking development caught on live television, i'm dedicated to ensuring harry auerbach's fair trial. Of course, the fallout from the situation has caused strained relations between myself and city hall. I've been asking the city council members what steps each will commit to to guarantee that mr. Auerbach has the due process guarantees that all american citizens enjoy. Today's the day that commissioner Leonard has been asked to respond to that question. Commissioner Leonard knows how potentially difficult it may be for mr. Auerbach to receive a fair trial in Portland having basically put his foot in it in front of public television on april 13. Remember that? Commissioner Leonard has been demonstrating significant leadership and I want to see him demonstrate his leadership on due process for harry auerbach. Would you care to comment about your support for this constitutional guarantee?

Leonard: As the mayor said, we don't respond to questions. I will tell you i'm very concerned about your continuing harassment of mr. Auerbach and other city employees and the threats you make.

Auerbach: Let him sue me for libel and slander whenever he gets ready.

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Potter: Karla, please read the next item.

Item 758:

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

Lisa McMahon: Hi. My name is lisa mcmahon. Thank you for letting me be here. I just at the end of june realized I needed to stand up and have a voice, because I work -- I work at p.s.u. and i'm a project manager for a national advocacy organization for youth with disabilities who are next -- in a couple of weeks in d.c. talking to their senators and representatives. So I decided I needed to do the same about something that I was passionate about, which was the long-term parking change. And I have written down some stuff, but i'm just going to say that I was just really concerned that now that I live in an area with the long-term parking, I was paying 60 cents per hour, and it jumped to \$1.25, which to many people isn't that much, and I understand the need for increase, for it go to go from \$1 to \$1.25 in the short-term areas, but in front of my apartment I now have to pay twice -- over -- it was over 100% increase in the price for parking. And that was just frustrating to me and i've done some research and realized that, you know, the council has approved it, but it's something that the transportation department is more in charge of. So i'm going to follow up and talk to them. But I just wanted to acknowledge to you that -- that jump from \$1 to \$1.25 made sense to me. The jump from 60 cents to \$1.25 an hour didn't make sense to me. I wanted to voice that. Financially that was a huge hit to us that live in an area where we use that parking because we live there and don't have assigned parking. I guess that's all I have to say. I have a minute left, but i'm out of things to say.

Adams: If you wouldn't mind stopping by my office, which is in this corner of the building on your way out, and ask to talk to jesse beason so that he can hear in more detail, and you'll have more than three minutes with him exactly what your concerns are, and we'll get back to you.

McMahon: Ok. Jesse beason?

Adams: Yes.

McMahon: Ok. Thank you.

Potter: Thank you, lisa. Karla, please read the next item.

Item 759..

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

Freedom Child: Thank you. My name is freedom child and I live in st. Johns. And i'm here to continue with my comments. On september 4, 2003, I filed a complaint with the independent police review division, the ipr. The complaint was straightforward narrative of what happened to me as i've told it to this council. At the time I trusted the police complaint process would work, and that it would be fair and impartial. I fully expected that the police officers that did this to me would be investigated, found to have acted wrongly, and somehow held accountable for the misconduct. At the time I filed the complaint I had not yet read the police reports and was unaware that the police had filed false reports in order to cover up their misconduct and to create an after-the-fact justification for arresting me. Two weeks after I filed my complaint with the independent police review division, I obtained copies of the police reports. As I sat on the bench outside the d.a.'s office and read the reports for the first time I felt waves of shock roll through me as I saw how devoid of truth the reports were. I barely recognized anything I read, because almost all of what they wrote did not happen. I was shocked and angry to see that they falsely attributed words and actions to me that I did not say or do and isn't even characteristic of how I behave. While they neglected to report what I did actually say and do and of course they made no mention of what they had actually done to me and pretended to have followed all appropriate police procedures, which if they had done so this entire situation would never have occurred. While I realize it is a very bold statement to occur another person of lying, in this case there's no polite or euphemistic way to

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describe what the officers did, other than to simply say they lied. It was deeply disturbing to realize the police intentionally lied to cover up their misconduct to protect themselves and their jobs. This is a second layer of wrong these two officers committed against me. I regard the lies the police officers wrote to be far more injurious to me than being ripped out of my home by my hair, for unlike these two men I have a deep allegiance to the ethical principles of truth. I remember walking out of the courthouse that afternoon crying my eyes out, feeling depressed and angry, for these officers had now put me in the difficult position of having to disprove the lies they had wrote in their reports. I had to disprove a negative or something that did not happen, which greatly complicated my situation as well as the absurdity and injustice of my ordeal. And I very much resented it. I'll just stop here. Thank you.

Potter: Thank you. Karla, please read the next item.

Moore: That's all the communications.

Potter: Ok. Then we will move over to the consent agenda. Do any commissioners have any items to pull from the consent agenda? Does anyone -- pardon? [inaudible]

Adams: I was going to pull some of my own, but --

Potter: Does anyone from the audience have any items they wish to pull from the agenda.

Moore: We've had a request for 762 be pulled.

Potter: 762?

Moore: Yes.

Adams: Person after my own heart.

Potter: Is that person here in the audience? Please come up to the front.

Moore: Mayor, do you want to do the rest of the consent agenda items?

Potter: Yes. Go ahead and sit down. Let's take the roll call, please.

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

Potter: Aye. [gavel pounded] ok. I'm asking the council that we deal with this issue immediately so that if there's any staff here they can return to their work.

Item 762.

Potter: Yes. Please state your name when you testify. You have three minutes.

Teresa Teeter: My name is teresa teeter, from Oregon city/clackamas county area. I'm 100% for this with emergency passage, however i'd like to suggest some amendments down the road to help the d.e.a. and state police and Portland police bureau. I spoke to a captain a few weeks ago about a drug tax stamp that we used in nebraska, used in various states. If you're with illegal drugs, if you don't have this drug tax statement on like one ounce of everything you're busted with you get an extra penalty. I'd like to help you, suggest this idea, so that you can create more revenue from the busts, each of these divisions, to offset your \$84,000 so it will double, triple its value. I'm sure they do seizures of property. Since we've got to do drug rehabilitation in this Multnomah county, clackamas county, etc., i'd like to see some of the buildings that are seized possibly by these agencies turned back over people in drug rehabilitation, if you can amend these in later, not today obviously, this is an emergency. Also the statute ordinance of 181.575 for specific information not to be collected or maintained. I do believe you do need to have a registry of international habitual trespassers who waste valuable funds of these \$84,000. Also, if you would amend back in a.s.p. to cut down infiltration of drug cartels from the south who like in the "Portland tribune" article the other day are confusing securing daily employment or buying drugs, weeding out immigration violators, freeze up more funds to disrupt and dismantle. In my opinion, the i.n.s. should help you with funding on this. They shouldn't leave this on the d.e.a., state police and Portland police bureau, they should help funding and support and extraditing asap. And i'd like to see you do this down the road. And that drug tax stamp in nebraska, they change every year. So actually they're highly collectible. You can walk into any police department and buy them without saying you have illegal drugs, you're not profiled, and a lot of people collect them. It's like on the bottom of your

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cigarette package. If you don't have it and you're busted with illegal drugs, you get, like I said, extra penalties and things. So it's a revenue builder for these agencies. And thank you.

Potter: Thank you. Discussion? Karla, please call the roll.

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

Potter: Aye. [gavel pounded] is there any other item?

Moore: That's the only item pulled.

Potter: We'll now move to the time certain. Karla, please read the 9:30 time certain.

Item 760.

Potter: Thank you. Commissioner Sten.

Sten: Great. Thank you, mayor. We have quite a few guests in the audience, several elected officials, some from the school board, and superintendent vicki phillips here as well, and quite a few citizens. Welcome to city hall. I'm very, very pleased to bring this forward, mr. Mayor and council. This is a project that actually we talked quite a bit about during the budget and has been tied in some ways to the mayor's bureau innovation project. I might say this is an on the ground, I think, possibility to show what this council has been talking about in terms of trying to do some things differently, work collaboratively and perhaps create some possibilities. The focus of this work is the blanchard site that I think everybody knows is both in the heart of a very prime and under-utilized area in terms of the city of Portland. You can't throw a rock from the blanchard building without hitting an area that is interesting and vibrant and happening, whether it's mississippi to the north or to the pearl district to the west or even the convention center area to the south. But yet we kind of have an island. Not so far away from the blanchard site. It's not part of this project, is the coliseum, which we own and need to do something with down the road. So I really see that this is an opportunity to use a joint conversation about that blanchard site led by planning and p.d.c. And our team as a way to see what could we make happen. The reason to pick the blanchard site as the place to start as opposed to some of the others, I think, is that the school district owns it and it may be a possibility of helping the school district with our expertise on development and land use to do something that would be good for them as well as us. There's clearly self-interest involved. The city's tax base will go up dramatically if we can get that area into play. We have an enormous self-interest in -- as well as the right thing to do -- in terms of the schools doing better. From my point of view, I wanted to underscore part of what's driven me on this is the council for many years has been an active partner in school funding. I believe we all are still deeply committed to finding ways to address the issue. We've all gone to work on the itax and lots of other results. It's hard to not see a permanent fix in place. This is no substitute for that. At the same time I think it's very critical that while that battle rages on we look for ways to help the schools and also to create a sense that the schools have some unique advantages and partnerships that regardless of what happens the heart and soul of the city will remain strong, and we're going to keep pushing on this. With that in mind there was an element to this that kind of popped out that was once they move out of blanchard we'll have to redo the kitchen somehow. One of the possibilities that we want to talk about, and we've asked the food policy council to join us, what are the possibilities for rethinking how we deliver food in the schools? Can we do local food, healthy food, in multiple sites. School board members williams started a project to try urban agriculture on a site in southeast Portland. All of these things begin to tie into this. The other operational piece that's very interesting is that blanchard also is the hub of the maintenance facilities. And we should look around there. There are acres and acres of land upon which we have maintenance, we have maintenance yards, we have maintenance facilities, and so we're going to take a look as well at the operational question of whether or not it's possible to combine some of the city and school maintenance functions in a way that either or both saves money or provides better maintenance for the money being spent. Not looking to usurp anybody, but some of this work has already begun in parks. Quite a few of the school grounds are parks, and we have joint maintenance strategies in

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those places. As I look at it it's one of these things where this is ambitious effort that wraps in a whole bunch of different issues, but what's exciting about it is that each of the issues both could contribute to a larger strategy and solution and stands alone. We can come up with a strategy collectively working with the school district and the real estate community for blanchard without solving the maintenance issue. At the same time if blanchard ends up sitting there for a longer period of time we could potentially move quicker on the maintenance issue and the kitchen and food issue is something that we're working on while we talk to all these issues. They all come together in the physical hub of blanchard, but can all be moved forward separately or together, whatever makes sense. It's almost too cliché to say in this time of shrinking money and all these issues we have to partner more efficiently and more creatively, but that's really what we have to do.

And I think things like exciting new approaches to food are the kind of strategies that will keep parents in the school district. And one of the main things we can do in the short-term to help school funding is to keep students there. Whatever the formula, we're better with more students in the public schools than we are without them. This is all strategies that make our city stronger and in the short-term help school funding by keeping people there and creating excitement. We expect, as this moves along, to include citizens to work on it. I just wanted to be clear to the group here that although rich rogers in my office has really championed this and has done an absolutely terrific job, this is a project of the council that my office has just had the honor to lead. With that, mayor, I will stop and bring our invited guests up. We first were going to invite joe zender from planning who has been the lead on this project, and ron bergman, leading the operations look, to give us a sense of the city's scope of work. While they're coming up, mayor, as usual on these types of large pieces, there's always fine-tuning and improvement that goes on in the last 24 hours. With that in mind, I have a proposed amendment that I thought i'd just give out at the front, because I don't think it will be controversial. This is an additional amendment that will -- would simply say, be it further resolved within 45 days the city council directs of bureau of planning to submit for council approval an implementation plan for its development strategy and urban design vision, including proposed phases, costs and timeline for completion. The plan should also include an outline of other bureau responsibilities, needed resources and expected outcomes, in particularly, the expected contribution of p.d.c." if there's no objection, I would introduce that amendment. It simply puts a 45-daytime line in place.

Potter: Do we have to vote on this amendment? [inaudible] getting used to the new microphone here. Yes. There should be a motion and a vote on it.

Potter: Do I hear for a motion for the amendments?

Leonard: So moved.

Potter: Second in.

Adams: Second.

Potter: Please call the roll.

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

Potter: Aye. The amendment passes. [gavel pounded]

Sten: I want to add also, that everyone at the city works hard to do their job. Both these gentlemen, as soon as they heard this idea from the council, approached it with quite a bit of passion. I appreciate that.

Ron Bergman: Thank you. Ron bergman, general services director. First i'd like to thank the mayor and council for your leadership on this particular idea. B.g.s has already begun discussions with Portland public schools on a cooperative approach to facility maintenance for improved efficiency and better effectiveness of services has been a passion of mine for many years. I really look forward to working with Portland public schools in this effort to research the ideas in developing a proposal to bring forward for your consideration. We're pretty excited about this.

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Joe Zehnder: Good morning, commissioners. The bureau of planning also looks forward to this opportunity to partner with Portland public schools. The city bureaus and p.d.c. have expertise in the planning aspects of real estate feasibility and financing feasibility that we think could be beneficial in thinking through the reuse of these properties. We know the target of this resolution is the blanchard property, but if our partnership is actually successful it is a team or a tool that we think could be useful for Portland public schools elsewhere in the system with some of the other decisions they're facing. The place we need to start, which is why the 45 days is appreciated, is to start building a shared approach to this assistance with Portland public schools. We want to sit down and talk with them about how best a partnership like this could work with them, what would be a most valuable to Portland public schools, and through ron's discussions and some I have had with Portland public schools we've started down that path already. Specifically on the blanchard property, the building a strategy for that property will need to look at the plans that are in place for the areas surrounding the property, including the rose quarter and the planning that's been done there, convention center, and parts of the albina plan. The approach here we would like to start with is an evaluation of those plans, just to refresh all of our understandings about what the game plan is and these plans were built with the community and that's what they expect us to be implementing so we can take that as a starting place. It's not the intent to really launch into this with a major revisions to those plans. We're really focusing on delivering value, finding a strategy to help deliver value to Portland public schools, but an evaluation in looking at the plans is inevitably part of that. So again, we look forward to this opportunity.

Potter: Thank you.

Sten: Any questions from the council? Thanks. Next up we had a group from our friends at the school district. And I believe superintendent philips, board member williams, and tom fuller, jacob johnson and cynthia guyer were all going to testify. I think we have three seats. Maybe we'll take the first three and then go from there. So tom, I think there's room for you at this table. Welcome, superintendent. It's a great pleasure to have you here.

Vickie Phillips, Superintendent Portland Public Schools: Good morning. Thank you. We're very glad to be here. I want to say first, I thank you for the constant understanding of the council and the mayor, that the fates of both the city and the district are linked together in some really powerful ways. And for always caring about the quality of what happens in Portland public schools. Second, we want to talk to you about the resolution today. Obviously are in significant support of it. When we approached the mayor's office a few months ago about maintenance and operations, we were gratified with the reception that received, and now we're delighted to see city council take that much further and expand it into the development work at the blanchard building. I want to talk about two aspects of the resolution. The one about improved efficiency and support that this will bring us in terms of maintenance and operations, and to talk about the redevelopment of the central administration site, and then leave it to my well-versed colleague and board member to talk about the nutrition piece. Then tom obviously has been instrumental in the study of the blanchard building and understands some of the work that we've done in the meantime to take action on that study. You know, we believe that there's great promise in assessing whether we can partner in mutually beneficial ways. While maintenance and operations of our grounds is incredibly important to us, and you may notice that even at the moment we're struggling with getting the grass cut in appropriate ways and being a kind of good neighbor while we also look at cost savings, we believe that this kind of partnership will allow us to do what we do best, which is focus on the education of children and the teaching and learning that goes on in the classroom, and help us rely on the expertise of others who are more well versed perhaps in some of the other areas like maintenance and operations. And we believe that we can draw heavily on this partnership and create some unique features, where it will allow us as one of your colleagues said to explore other ways that we might partner by setting a model in this one. We believe that we can gain efficiencies

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in this, and that in fact the district can't fully discharge its mission without this kind of partnership and cooperation. And we also believe that we have the ability, particularly where maintenance and operations is concerned, to combine our work forces, to combine our tradespeople, but to do that in a way that creates the kind of cost savings efficiency and most importantly gets us both -- and particularly the school district -- improved and better results, and that is just a perfect example of how we might blend resources. In terms of the property development of the blanchard building, we know that that building has the capability thanks to the study to be part of prime real estate development. We've been advised as part of the study to remain in the building two or three more years while that materializes, but also to do some work in that building to make sure that when the time comes and this partnership materializes that we would be able to move from it. Again, we know that we have to play a part in development, but we believe one of the powerful things about this resolution is the blended expertise. Our mission clearly is, continues to remain, education. While we think we need to be a part of and not apart from the development and including the economic development of the city we know that that skill is available elsewhere and can -- that we can rely upon it heavily. We know that we have to create new and creative ways to generate resources and cost savings and the kinds of efficiencies that people believe we need to be about. And that we can much better serve the school district by thinking about how the district is part of those opportunities. This resolution serves dual interests for us. First, it provides your assistance in helping us identify alternative locations for various central administrative functions. One of those you've heard a lot about is our central kitchen. It was advised in the feasibility study that we actually begin to rearrange the central kitchen in a way that would allow us to relocate it elsewhere. I'm happy to report that we have done that actually this spring as we worked on our budget and finance issues. We actually managed to save half a million dollars in doing that. And to be at the point where we can actually relocate that function somewhere else and hopefully take advantage of the kind of nutrition opportunities that commissioner stein talked about a moment ago. While we've already taken strides, there's a lot more work to do. As you know, the blanchard building was created in a time where a lot of the district's primary function was to take on the maintenance and operation of the kitchen, the warehousing, and we've examined all of those and believe that there is considerable utility in the kind of partnership that would allow us to divest ourselves of those things, to put them in a partnership that will give us more assistance and guidance and that is can, while certainly not solve our financial challenges, continue to contribute to the image that we want to have about being service and results oriented, and indeed not an image, but an actual fact and reality. As we go forward, you know, we're seeing a partnership with the city in multiple ways. Not just on school funding, but on these kinds of endeavors. And as commissioner stein said this gives us an opportunity to first look at the blanchard building, but also to look at other properties. There are certainly school properties that we're going to want to maintain in our assets because we know in 10 or 15 years we will need those buildings again as demographics change, but we also know there are properties where we could do some creative partnering that would much better serve schoolchildren. If you look at the partnership that's occurred around the new columbia site, that's a prime example. And our board has most recently set up a process by which we can do the same sort of partnering or we'll be looking for the same kind of partnerships around the whitaker site in the city. So we see this both as helping us take care of properties that may longer -- the district may no longer need to use and may not be most efficient for us, but also to help us develop properties that will better serve our community and our schoolchildren. And we trust that we can meet those challenges collectively and together. You know, part of what makes Portland a special place is the fact that we think about good land use, wise transportation investments, creative development programs, and see all of those as being enhanced and motivated by public involvement, and that this city cares so much about its schools, and we believe, as i've said early on, that the school district needs to be a part of and not apart from the city's solutions as well as meeting our own challenges.

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And we know that we sit in a city that has constantly stepped up to the school district. We see this resolution as renewing and furthering that ongoing commitment, as being in keeping with that rich history, as taking us toward some new ways of doing business and as an opportunity to create those kind of mutually beneficial partnerships that we think serve us both well. So we thank you for the opportunity. We thank you for helping put this in motion on behalf of the council. And i'm going to ask director williams to talk just for a moment about the nutrition component, which is also key for us.

Dela Cruz Williams: Thank you. Mayor Potter and commissioners Leonard, Adams, Saltzman and Sten, i'm board member williams, board member since 2003, and professor of education at Portland state university since 1990. While this issue touches on important issues, i'm going to focus my testimony on its efforts to rethink how we feed our city's children. I have a long history, even before joining the board, of supporting sustainability education. In 1995 as a parent of -- as a parent in the Portland public school district, I cofounded the environmental middle school, which has now expanded to k-8 sunnyside environmental school. At Portland state university I cofounded the leadership in ecology program. I'm involved in several national and international sustainability projects and serve on the governor's sustainable schools initiative, which is chaired by secretary of state bill bradbury. Moreover, i've been pleased to part of initiatives in the Portland area that teach about sustainable food production and its support for the local economy and protection of the environment. For instance, recently p.s.u.'s feed project, which is food-based ecological food design is working with several schools integrating food and learning. The city's reporting the proposal for the creation of learning gardens laboratory at southeast 60th avenue which serves as a prototype for how food and academic achievement converge. It's natural then that I would bring this experience and commitment to my position on the school board. I'm committed to seeing these values reflected in the policies and practices of our school district that would embody a long-term vision that food served in Portland public schools would be produced locally and organically using sustainable technologies, enriching the children's bodies and minds, and enhance the health of our environment. That's why this resolution is so important to me personally and as a board member, and so important to the students of this school district. This resolution does more than address the location of our central kitchen and food service functions. As important a conclusion from the feasibility study as this is. Yes, to unbundle the central support services from the blanchard facility is a way to relocate functions and obtain revenues from the site, as superintendent philips has just testified. Equally important is the statement in the resolution about the source of the food provided to our students. And the statement about the importance of local sources, local farms, local purveyors and distributors, local farmers' markets and so on. The district's nutrition services is a recognized leader in providing nutritious meals, but providing even a small part of lunch within the school premises and partnering with local farmers and businesses would add a dimension to the program that can help the local economy, increase student awareness of where food comes from, and nourish their bodies and minds, and as commissioner Sten mentioned potentially increase district enrollment. This resolution is also in keeping with the sentiment expressed in the school board wellness resolution passed on june 13, which was just a month ago, that calls for a new approach to school nutrition. Research shows that health and wellness also impact academic performance, and achievement. So there's a fantastic convergence of motivation and intention here between the two resolutions. Finally, this resolution is a statement of a new ethic in food production, distribution and consumption. This new ethic enhances nutrition. This new ethic can translate to partnerships that can become a model for other urban communities nationally. And this new ethic is a teaching tool with lasting consequences, establishing by example a new mentality for the young citizens of the world. Thanks to commissioner Sten again for proposing this initiative. I see this as a new beginning in how the city and the district can work in partnership. We have reached a tipping point in terms of establishing a food policy in Portland public school district that

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enhances sustainable local and organic food chances in our schools. Thank you, mayor Potter, and city commissioners, for your support for this resolution. Thank you for your bold vision and your imagination to see beyond current problems, to move the city and the district to more robust and hopeful times. Appreciate it.

Tom Fuller: Mr. Mayor, members of the city council, my name is tom fuller. I'm employed by shiels obletz johnson. We conducted the feasibility study that we're discussing here today. As a citizen of Portland I would first like to thank the city council for its support of and commitment to our public schools. You have a long track record of supporting our schools, and I want to thank you for that. In part the resolution before us today establishes the partnership between the Portland real estate trust, the city, and Portland public schools. Other parts of the resolution, however, go much further to explore cost-saving opportunities for the district and for the city, and to improve the quality of life for our public school students. We would like to further commend commissioner Sten and rich rogers of his staff for doing the behind-the-scenes hard work to put this resolution together for consideration by the city council today. My testimony will center on a few elements of the resolution we feel are extremely important and visionary. First, the study recommended and the resolution supports a collaborative effort to create a redevelopment and relocation strategy for the central services. This resolution helps to further the recommendation by establishing a partnership between the trust and p.p.s., the bureau of planning, Portland development commission and other appropriate city agencies to take a broad-based comprehensive look at how the area around the blanchard center can be redeveloped for the benefit of Portland public schools, its neighbors and the city. If this collaborative effort is successful, the district and its students should be able to benefit in perpetuity from the income from the redevelopment of this site. In addition, the city will benefit from a vibrant new business community that will coexist with its industrial and residential neighbors. The study also recommended a number of specific suggestions, recommendations that were developed in cooperation with the departments. We would like to point out that even before the final report was issued, these two departments and the district began to implement some of these recommendations. As the superintendent has mentioned, nutrition services recently was able to reduce the number of its employees and streamline its production in distribution systems in anticipation of moving forward. The warehouse and distribution department, likewise, began implementation of several of the suggestions, such as relying on more just in time delivery and offsite storage. The district is ready to work with the city to examine relocation options for the central kitchen and the warehouse and distribution services. In my opinion, this resolution reaffirms the city's commitment to partner with its businesses, public institutions, and its citizens to enhance the quality of life and livability for the entire region. Personally I hope the Portland residents and businesses take note of the city's and the district's effort to work in a collaborative manner to explore cost savings opportunities set out by this resolution, savings that may come about in various strategic partnerships between public and private entities and our public schools. It is this time of enlightened city and district leadership that will make our city a better place to live, work and recreate. Thank you.

Potter: Thank you all.

Sten: Any questions for the panel? Great. Thank you very much.

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

Sten: I think jacob and cynthia were the final two. I thought i'd also invite mar cuss from the food policy council if you were interested in taking the last spot here. That would be the end of the invited testimony. I'd open it up to public after that.

*******:** Cynthia, you go first.

Cynthia Guyer: I'm cynthia guyer, here as a parent of two children in Portland public schools. And also as executive director of the Portland schools foundation. We're an independent community-based organization. Our mission is to create and strengthen excellent public schools for

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the 48,000 children that wake up every day and attend the city's schools. We seem to be living in a time where state government seems unable and incapable of solving many of the challenges that we face here in Portland as we work to strengthen and improve the system of education we provide for our children. So it is even more critical that we work together, local government leaders, district leaders, young people, teachers, civic and community organizations, to solve our problems and create the vision and the imagination that exists in this community to solve the challenges that come our way. I want to thank commissioner Erik Sten, the mayor and the council, for consideration this resolution in that spirit today. There are three reasons why the schools foundation leadership believes that this initiative sends important signals to the community. First, in an era of finite and precious public resources and the investment of tax dollars of the people, this signals more strong willingness between local government leaders to work together to solve problems and create more efficient investment of scarce tax dollars in our children's education. Second, it signals a willingness of local elected leaders to explore new private and public sector partnerships, new ways of working together to tap into the creative energy and the leadership and the skills of this community to solve its own problems. And finally, it's the first bold new initiative really led by Erik Sten and his staff and the incredible leadership of P.S.U. and board member Williams to really figure out a way to feed our children in our schools in a more nutritious way that ensures that they're healthy young people in our community, and we also keep an eye on how to strengthen our local economy and build a stronger regional green economy in Portland. In a time where many people are feeling despairing about public investment and public education, I think it sends a strong message that we can be imaginative, we can be creative, we can have a vision, and you all are really important to that in sending a strong signal today. So our children, our families and our community deserve nothing less from leaders, and I hope you will let the schools foundation and the community organizations that stand ready to join our leaders, how we can help with you this important work. Thank you.

Marcus Simantel: Mayor Potter, commissioners, my name is Marcus Semanual, here as cochair of the food policy council for the city of Portland and Multnomah county. Two whereases and two of the resolves are related to the food policy council. Of course you've heard already about the nutrition aspect of this thing. First want to thank Erik's staff, and that the food policy council will do everything to help this move forward. We hope to be involved to help as far as some of the studies and efforts moving forward around school nutrition. We have convened several already, and are hoping to bring all the different groups together. There's a lot of effort going on right now about school nutrition. This is right in line with that, and I congratulate you all for doing this. Thank you.

Sten: Thanks.

Jacob Johnson: Good afternoon. My name is Jacob Johnson, the president of the Portland schools real estate trust, which is mentioned in this policy, and which will be a partner with the city, the bureau of planning, and all the different agencies within this. We're a nonprofit corporation, formed by the school board, which has two functions -- to advise the school district on potential revenue from district property and manage surplus property for the school district. I think this -- the trust was set up on a visionary process like you guys are going through, like Erik Sten and his office just went through on this partnership by the school board to focus on educating our children rather than focusing on real estate activity. So they have -- right now we're all, you know, nonpaid volunteers to provide our professional expertise on real estate activities. Our goal and our mission is to maximize long-term utility and value of surplus properties for the school district. And we're here to support the -- this policy and look forward to kind of leading this process of looking at the redevelopment of the BESC with the different agencies on behalf of the school district to provide, you know, long-term value for the school district. Thanks.

Potter: Thank you. Karla, is anyone signed up to testify on this?

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Moore: We do. We have brad perkins, sheila holden, and walter valenta. Lee perlman.

Brad Perkins: Good morning, mayor, commissioners. My name is brad perkins. I work in the irvington area, as well as live there. I have a company called perkins reality. I'm very pleased to be here today. This is long in coming as a vision that I saw as a possibility 10 years ago when I took charlie hales from fremont overlooking the city, said, "hey, look, this is a great opportunity for the redevelopment of inner northeast Portland. What are you going to do about it?" and it's fortunate that erik Sten has been able to take this on and rich rogers, a great aide of his, to help facilitate this. I'm very pleased to see partnerships combined, especially huge administration like the Portland public schools, be a part of this. I think it can be extended a little bit further in this collaboration, though, when we talk about refacilitation of these resources for these pieces of property. One would be the port of Portland, which would definitely be, I think, a part of the discussion in regards to maybe using some of their land for -- for new food production. And also taking another look at whitaker school as maybe a new site for the administration. There's plenty of land out there. And I think that taking a use that is in high productive and high value real estate zone into a less important real estate area makes a lot of good sense. It's a very strategic location. When we talked a little bit about the rezone of the district, there was mention of it. I think what we really needs to happen, too, is working more with the albina plan, taking lie at the rezone of the area between fremont and russell in this area. Right now it's industrial. It should be taking a hard look at helping support the mississippi and north Portland area for high density, mixed-use development. Also touches upon the coliseum. We will probably get into that discussion, as well as to what made sense. I believe it's best to tear down the building, put the infrastructure back the way it was, and see that the private developers have an opportunity to redevelop that property. The other is emanuel hospital. The area around emanuel hospital, great controversy during the time when the land was taken away from the homeowners there and eminent domain powers were used, not being used to its fullest potential today, as well as the coliseum. Having another look at those two properties makes a lot of sense. In closing, I would like to say this, that the idea of teaching nutrition in our schools is a great idea. It's great that we have the opportunity actually to act on nutrition as well. Thank you very much for your time.

Potter: Thank you.

Lee Pearlman: My name is lee pearlman. I live at 512 northeast brazee street in the elliott neighborhood. In terms of where that is, you're talking about it. And while i'm no longer near as active as I used to be, and certainly am not a designated spokesperson, I still have contact with them. When I talk about interesting stakeholders, I would reemphasize once again that that needs to be one of them, and they need to be part of the process from the beginning, not just from the end. I was encouraged by mr. Zehnder's comments that you would in fact look at the plans in existence, including the elliott plan of 1994 and the rose quarter study of 1999, which interestingly enough was done by shiels obletz johnson. What you propose has the -- has the potential to affect that neighborhood, both positively and negatively, depending on how you do it. There is a strong commitment there to maintain the industrial area to the north. Sorry, brad. And there is -- there's housing within two blocks, that that's not a reason not to do something. That is a reason to do it carefully. We would hope we would be a good part of the process. Frankly that hasn't always been the case in terms of projects involving the elliott neighborhood. Our chair, gary hampton, used to be part of a community of 400 people that's now called the rose quarter. Just once again, we need to be at the table.

Potter: Thank you.

Sten: Mayor, if I could clarify real quick for mr. Pearlman. We did meet with elliott months ago from day one and have an agreement with both elliott and planning to be two things, to be involved first, and then secondly, while there is a lot of interest in expanding this work outside of blanchard, we're really beginning with blanchard, and that we'll look at other questions in the leader phase, on

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the timeline agreed to with the neighborhood, and also our general sort of strategic sense coming from joe and planning as well as elliott is that while there probably is a need to look at some changes in the elliott area, it's too early for that in terms of the -- seeing how things develop, and the idea is that mississippi and the other areas that tie into elliott are going so nicely without our intervention based on the last plan that we're not looking to update that anytime right away. If we were going to update it it wee a comprehensive package with the neighborhood. So we're in those communications and have been at the land use committee and the board from the start.

Pearlman: Yeah. I'm aware of that, commissioner stein -- I guess you haven't been renamed. But the -- rich rogers from your office did come to elliott. He said I beat him up, but I should turn pro if that's true.

Sten: Kind of soft.

Pearlman: Well, all right. But basically it's not a complaint. It's just a reminder.

Sten: I heard it loud and clear. It's always good to remind me.

Pearlman: Yes. Thank you.

Perkins: Erik, i'd love to see you throw a rock at the pearl district that you mentioned earlier.

Sten: We could that in many ways as well.

Peter Finley Fry: Joe had to leave. So my name is peter finley fry. I'm here on behalf of joe weston and bill ruff. Joe owns the south part of the site on broadway. We're able to objectively and freely assist the various parties in achieving their public and private goals. Our goal ties invest our considerable resources, private resources, to create strong property values in this area, and further the public and private investment around us. We recognize that the Portland planning bureau has limited resources and I as a planner recognize the need to focus our planning efforts to achieve results. Nevertheless, any process must address the one-block strip between the school site and broadway. Our property and our resources are poised to act as a free market catalyst to your efforts.

The investments in the pearl district has created significant private activity to support Portland's public goals. Thank you.

*******:** I'd also like to disclose i'm the land use --

Potter: State your name.

William Ruff: William ruff, the president of l.r.s. architects, also on the board of the lloyd district and land use chair, but i'm not representing that organization, because we're on the other side of the street to the south. I support what peter just mentioned. We think that to exclude the one block between broadway and the school district would be a mistake not to include that within the study. We encourage you to include that in the study. And we also encourage the study. Thank you.

Potter: Thank you.

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

Potter: Other names?

Moore: That's all who signed up.

Potter: Is there anyone in the audience who wishes to speak to this matter who hasn't signed up? Ok, discussion among the council.

Adams: I have a question, and then offer to help. Is this the process that we -- through this process, do we foresee deciding the future of the memorial coliseum?

Sten: I think this is an effort that would support that discussion, but, no, this doesn't have any further money or staffing to look at the coliseum. We've done a couple of efforts on the coliseum, the largest of course which was to go after the crock grant from the salvation army, which did not work. I think the council still has to revisit the coliseum issue.

Adams: Separately?

Sten: Yeah. I do think what we do with the coliseum, unless there's something remarkable that I don't foresee happening, like the crock initiative, has to be tied to what's happening around it. So I think going after more certainty with the school district around blanchard as a hub is a helpful part

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of that discussion. I don't know that the coliseum discussion has to wait until this is over, but that's really -- the timing is more a council strategy discussion and probably has more to do with likelihood of success and our resources, you know, what we are willing to put into it right now. The coliseum is doing better financially under the new management, so i'm not saying that takes away the problem, it doesn't, but we might have a little breathing room.

Adams: And in your own mind, how do you see the -- using the rose quarter plan and some of the earlier work in terms of how do you view that moving forward as a basis or a failed effort and we should start over or --

Sten: I don't have a great answer. I think we need to talk about. I led the charge on the coliseum a couple times around, so you're going back to that and tying it into the rose quarter. I've become convinced that you can't really make a real decision on the coliseum until you know what's going to happen with the rose quarter. Sadly I don't see the rose quarter leaving the development potentially. I mean, u.s. Mr. Weston here who owns the land on the -- let's see, on the north side of broadway, and he's saying that if the planning effort can move quickly he's prepared to build a housing tower with no subsidy. Central city --

Adams: Sold.

Sten: Central city concern has -- has worked with -- with the Portland development commission to secure the old ramada inn, is rebuilding it for low-end housing for people who are in recovery and working. So those two things happen, you all of a sudden have a mixed-income population of a can you tell me hundred people that's starting to look like the beginnings of something happening. I guess what i'm leaning toward, is because the rose quarter owners aren't really moving, I think maybe that follows this at this point. I mean, the city tried to put our efforts into having that section lead, and I don't think through anybody's fault it didn't work.

Adams: Right.

Sten: So I think you kind of assume that that strategy is still valid, but keep an eye on it.

Adams: Update it.

Sten: Also, we have a team of young developers in the room that are looking at the multicraft building and the adjacent blocks.

Adams: That was the contribution I was going to make. We're hosting a meeting on thursday, as some of you might know it used to be the dude ranch jazz club. And it's one of the few remaining buildings of --

Leonard: Dude ranch jazz club?

Adams: Dude ranch jazz club. It hosted performances by duke ellington and a number of great jazz artists. It was the -- it's one of the few remaining buildings of what was once was a thriving african american jazz quarter. So we're hosting a meeting later this week with leaders in the african american community to talk about the project. It's very exciting project. And I know commissioner Sten has been -- has been supportive in part of those conversations. So that's a contribution that I can make a piece of the contribution that I can make and will work with you on that.

Potter: Other discussion? Karla, please call the roll.

Adams: I'm sorry. Is it time to vote?

Moore: Yes. Adams.

Adams: I think this resolution is very ambitious. And I love it. I'd like to see the city stretch. I like the fact that it brings together disparate pieces within the city and the community, and I can't think of anyone on the city council better to lead the effort than commissioner Sten, and it's -- you know, it's just -- it seems, as opposed to previous efforts that i've been involved with the rose quarter, planning project, it just seems right, seems like a good time, and I do think it will help answer the question about the future use of the memorial coliseum, which we're going to have to answer separately, but I think in context with revitalized vision for this district that that question will be -- we'll have more options to answer that question, and obviously, like everyone on the city

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council, anything that we can do to help the school district on an ongoing basis and move forward our policies, championed by commissioner Saltzman around sustainable agriculture, this is great, and am enthusiastic in voting aye.

Leonard: Ditto. Aye.

Saltzman: Well, this is a great plan. I commend commissioner Sten for coming up with this comprehensive package of initiatives for us to really explore. It's real important that we do roll up our sleeves and try to figure issues out that get talked about for years, and people I think are -- I think our public expects us to, particularly in stressed times financially to pursue these innovative ideas, and I think people get excited about the idea of getting local produce into our schools and into our students' stomachs. It's something, I think, you know, food in schools is one of those issues that i'm sure the school board members, people can get passionate about, but it's really a challenge, and it's a challenge that perhaps if anybody is up for it the city of Portland and its residents are up to tackle it. It has increased nutritional value for our kids, but supporting local agriculture and increasing awareness of what agriculture is, and that's a very important thing for this state as well as the city to bring us -- bring the state more together than it -- than it is at times. So i'm very excited about this. Look forward to working with commissioner Sten and the council as we pursue these policies and hopefully make these policies realities. Aye.

Sten: Well, I appreciate all the kind words. I'm going to turn those back into assignments for everyone and see if we can get this thing done. I'm actually, i'll just say quickly, i've spoken enough, that, you know, having looked at a lot of these areas in different capacities over the years that this project, although it's ambitious, is doable. And it can be done in all or pieces, which is very important. I was thinking about sam's questions, and I think some of the rose quarter efforts aspired too much too soon, even though that's a good thing to do. I think this can happen. Part of what's really important -- and I want to commend joe zender on the way he's tied it into elliot's concerns, is the idea isn't to bulldoze the area. It's really not happening, but has a lot of neat character and is a signature part of everyone's experience in Portland. There's almost nobody in Portland that hasn't driven by the multicraft building. I can deal without the billboard on it now, but everyone recognizes it. The same is true for that whole stretch and the buildings that mr. Weston owns. The idea is to make this vital and functioning in a way that is organic and fits from there. So I really think the idea of flowing down the hill from mississippi before you cross into the pearl district, you can signed of see how this can be sort of a piece that's missing in Portland, kind of the middle ground, and some real vibrance an activities. I have a hard time believing that if some of this doesn't take off that some money in the rose quarter won't be interested in taking part as well. Maybe this was a better way to go about. I also want to thank rich. This has been a sophisticated piece of work and he's done a terrific job at what's doing very hard, keeping everybody involved, so of course I vote aye.

Potter: I'd like to reiterate what the other folks up here have said. The commissioner Sten's leadership and rich's putting this package together. It's a really thoughtful piece. It really creates many win-win opportunities for our community, for our schools, and for the city of Portland as a whole, because it sort of steps back and takes a look at a number of issues. And first and foremost is how can we support our schools. I think that's a question that every citizen has to ask, because whether you have children or not in the city of Portland, you're invested in the future of Portland and the children are our future. So I think it's important that every citizen get behind our schools. You know, Portland does have five school districts. And Portland school district being the largest, it's important that the city look for ways to partner with them, to increase efficiencies, to provide resources that can help our children succeed. And that's just a part of the -- of many of the win-win partnerships. Obviously with the surrounding area, when you look at the individual pieces in that area, you can see them as potential problems. When you look at it as a whole, you see solutions and you see opportunities. And that's how we're looking at this, is partnering with our community, our

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other partners in the public arena, and creating a real dynamic community in that area where people can live, people can work, and this city can grow. So i'm very pleased that this has finally come together. Our bureau of planning will be returning to us within 45 days to give us a briefing on some of these individual plans that are already in existence in that area, to let us know how they can begin to dovetail into this larger idea and concept on how to use this area. And so what we have thought perhaps in the past, for instance the memorial coliseum being one of our albatrosses, I think it's going to turn out to be a tremendous benefit for our community, and that in the long run I think it's not just going to benefit that area, it will benefit the entire community. So I very heartily support this. I look forward to working with commissioner Sten's office as the full council does, because we want this to be a success for our community and a success for our children. I vote aye. [gavel pounded] thank you folks from the school district for being here.

Sten: I think they left.

Potter: Yes. Karla just mentioned that we had 14 city council members from the city of kyogu, a sister city for salem, Oregon, and they were passing through Portland, stopped to observe our city council for a few minutes. Karla, read the next item.

Item 778.

Jeff Baer: Good morning, mayor Potter, members of city council. We're here before you with a purchasing agency report recommending an award of this construction project to dunn construction.

And although we did not break out the specific minority women emerging small business participation, we haven't caught our paperwork up yet, and will be making that change soon, but I want to highlight a couple of different issues, one of which is that they have indicated that they will subcontract out 3% of their total bid, and all of that is to a minority business enterprise. So they will have -- and it's 100% of all of their subcontract that they had indicated in their bid to the city. Also, as well, dunn construction, although not being a state certified mwesb, they're a local Portland-based company. With that i'll stop, and if you have any questions, be glad to address those.

Potter: Any questions from the commissioners? Commissioner Adams.

Adams: Thank you, mayor. It seems that we could do better than \$50,000 of a \$1.6 million total.

Baer: This was a low bid process. We required them to do a good faith effort and identify any subcontract. We identified certain parts of divisions of work that they would subcontract out. They elected to perform all the work with the exception of trucking and I think it's concrete cutting as subcontract opportunities. So they did actually -- they did 100% of all their subcontract with minority-based firm, but did not have a lot of participation.

Adams: I understand. But \$50,000, you know, let's make sure that at least that goes to them, and let's keep at these folks to break out more of their overall amount from the city to get a higher utilization of minority or women firms.

Baer: Sure.

Adams: Have I beat you up enough today?

Baer: Getting there.

Adams: We have more on the agenda.

*******:** Yeah.

Potter: Other questions from the council? Is there anyone signed up to testify on this?

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

Potter: Does anybody in the room wish to testify on this matter? Karla, please call the roll.

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

Potter: Aye. [gavel pounded] Karla, please read the next item.

Item 779.

Potter: Is charlie rosenthal here? During my six months on the board, i've really been impressed with mr. Rosenthal's efforts. He asked really good, tough questions, and I really appreciate those

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questions. I think he's a great asset to the pension board itself. And heartily recommend him. If he were here, i'm sure you'd be duly impressed with him, because he speaks his mind and knows he's there to represent the citizens of Portland. I think he does a sterling job at that. Anybody have any questions regarding --

Adams: Do we have an application for him?

Potter: Is there an application in there?

Adams: Not in mine. Did someone else get one?

Potter: This is the only information I have, commissioner.

Adams: Yeah. I need an application.

Potter: Ok. Do you want to postpone the --

Adams: Sorry.

Potter: Any other questions from the other commissioners? I'd like to pull this back to the mayor's office. And we'll get the application process and get it to commissioner Adams. Then we'll take a vote another time.

Ben Walters, Office of the City Attorney: Mayor, you can also continue it one week.

Adams: Yeah. That's easier.

Potter: Ok. Let's do that.

Adams: And if it's possible to have, given what we're reading in the newspaper, if it's possible to also have mr. Rosenthal here for some discussion, I think the community would appreciate it.

Potter: Good. We'll contact him. Next item.

Item 780.

Ken Rust: Good morning, mayor Potter and members of the council. For the record, my name is. Ken rust, director of the bureau of financial services. With me is the city treasurer, david thurman. The action before you this morning is probably the most important action that the council has taken with respect to the deferred compensation plan in the history of the plan, which we believe will be of substantial benefit to all employee participants. For a little bit of background on this, we really started this following a very good audit report prepared by the auditor's office in 1999 about ways to improve the deferred compensation program that's offered as a voluntary benefit to employees. And one of the findings at that time was that we had five different plan participants, 180 or so different investment options, and maybe a fee schedule and things that were more expensive than necessary. And so we've taken a very purposeful approach over the last few years, first to develop an investment policy, to retain a consultant to help us develop that, to actually survey employee participants and find out what was important to them, what kinds of things they wanted changed, and then to develop a process for developing a request for information that would allow us to deliver on that change. What people really wanted, we found, is three things. They wanted lower fees, they wanted a better mix of funds that included some socially responsible funds and some index funds, maybe some funds offered by some of the large companies like vanguard and others, and they also wanted much more assistance in the area of retirement planning and education. And so those were really important considerations as you went through the review process. And what i'm happy to report today is that following the r.f.i. that was distributed to the existing plan carriers of the city, the selection committee made a unanimous recommendation to award the contract for the next five years to i.n.g. What we will see from this is I think really a delivering of benefits to the plan participants. We're going to have much lower costs. It will be a lower cost from the city's point of view in terms of our administrative expenses, but most importantly to employee participants we estimate that the plan cost savings on an average basis to each participant will be about \$250 a year. We are going to have a menu of options that includes 27 investment choices. The pace option will continue to be a choice people can make. We found that was very important to many of the plan participants, and pace is an investment option, but we have a broad range of index funds, real estate investment funds, socially responsible funds, I think a much better mix, all of

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which are in high-performing categories when you measure the asset class that those particular funds are a participant in. We also are going to have improved customer service. That was extremely important to us. I think we're going through the process now of outreach to city employees and plan participants, 23 or 24 meetings. I.n.g. Has set up resources, both people on staff, telephone lines, and the internet, which is available to employees, and has promised us that they will meet with people anytime anywhere. Swing shifts, night shifts, remote facilities. They're going up to the sandy river water bureau facility this afternoon to talk about the plan changes. They even went to, as I understand it, to talk to a retiree that lives in Lincoln city. So the commitment to improved education and assistance with important retirement planning issues were also part of this. So the contract before you, we think, delivers a home run for all those things that employees and participants have told us are very important, things they wanted from this plan, things we made attention to, and I think we were able to deliver on. With that, if you have any questions, we'll be happy to try and answer them.

Potter: Questions from the commissioners?

Adams: Where's the exhibit?

*****: Which exhibit?

Adams: It refers to exhibit number one. It says it's attached, but I don't have it.

*****: Should be in your packet.

Moore: No. You didn't provide copies of the contract. I can give you my copy. I've got it electronically.

Adams: How thick is it?

Leonard: You read stuff like that before breakfast.

Saltzman: While you're reading the contract, can I ask a question?

Adams: Maybe if I could ask the specific question that I was hoping to find is, even though they're called a life insurance and annuity company, they are not the providers of our life insurance, right?

Rust: That's correct.

Adams: Ok. Go ahead.

Saltzman: I was just curious, what are some of the socially responsible investment options?

David Thurman, Treasurer, Office of Management and Finance: We have two in the investment lineup as it stands. One will be the packs world balance fund and the other is the vanguard calvert social fund. One of them will be falling within a category of our balanced or asset allocation lineup and the other in our specialty category.

Saltzman: Is socially responsible measured by commitments to environmental policies, labor policies, things like that?

Thurman: I think it's all of the above. I mean, basically there's a conscious effort to invest in companies that do clean businesses, that perform -- that are consistent with fair labor practices. So it's pretty much -- these are pretty fairly broad index, broad funds, so the mandates are fairly broad as well.

Adams: Is there someone from i.n.g. Here?

*****: Yes, there is.

Adams: Can I ask some questions of them?

*****: Sure, absolutely. Come on up.

Potter: Could you state your name?

Michael Murriea: Michael murriea.

Adams: Hi.

Murriea: Hi.

Adams: How are you?

Murriea: Very good.

Adams: So who's your company owned by?

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Murriea: I.n.g. Is owned by international i.n.g., which is a dutch financial services firm, the 11th largest in the world.

Adams: And is i.n.g. one of those insurance companies that has had a good corporate responsibility record?

Murriea: Extremely good. I think that was one of the initial screens of the process that we went through, is to determine -- take a look under the hood and determine what kind of company, what kind of corporate citizen we are, not only in this country, but all over the world. We're fortunate in this case to be a legacy provider, i.n.g. purchased aetna financial advisors, and we've been in the city for 23 years, and have had a relationship with the city for 23 years. It's been a very, very good relationship. I.n.g. is very much looking forward to continuing that relationship and improving on it.

Adams: So no major scandals?

Murriea: No, no.

Leonard: I've actually participated with you for 23 years.

Murriea: Thank you. Have you found that to be --

Adams: I have to question your judgment as an insurer, then. That's quite a risk you've got there.

Sten: Commitment to charity.

Adams: So can you tell us in just a few seconds, and I appreciate the patience of council, how your service to our city employees will be better than the previous? Give us sort of -- some of us are familiar with the before, which was fine, but you mentioned this is going to be a lot better. So i'd like to hear directly from a representative of the company of what our expectations should be and what the expectations of our city employees should be.

Murriea: A lot of the process, and with the help of your consultant, they've been very proactive in arranging -- by having multiple providers that was always the problem of how do you fairly represent each company in all the departments and with a lack of the ability to really do that because we have an office right here in town with 23 financial planners right at 200 market street, seven of them are assigned to city of Portland. It would give us quite a bit of advantage to the other companies that are using people, maybe one person that's not a financial planner, and so the program in the past was almost -- held us at bay from providing the services that we could provide. Now going down to a single provider, we're able to actually exercise financial planning services that the -- that the members have never had access to before, using very sophisticated tools. We're going to really increase the education of the participants and be much more progressive in scheduling education for all of the participants about all financial plans. As you well know, there have been a lot of pers issues over the past few years, and we've been doing pers workshops in the city now for three years, very well turned out in Multnomah county also. They're one of our biggest plans in the region also. And people are just desperate for that information.

Adams: Does i.n.g. offer domestic partner benefits to its employees?

Murriea: Yes, we do.

Adams: Great. Thank you.

Potter: Other questions? Thank you folks. Is there anyone signed up to testify on this?

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

Potter: Does anybody in the room wish to testify on this matter? No further questions from council, Karla take the roll.

Adams: Excellent job, folks. Aye.

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

Sten: I think this is great. Good work. Appreciate it. Aye.

Potter: Aye. [gavel pounded]

Sten: Mayor, I was going to ask if it might be possible to move to take 786 out of order. The reason I ask is that I need to introduce this one, and i've signed out to leave early.

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Potter: Ok. Is that ok with the council?

Adams: Uh-huh.

Potter: Yes. Karla, please read item 786.

Item 786.

Sten: Thanks, mayor. Thanks for the council for moving this up. I'll invite the executive director of the housing authority and the finance director. I just wanted to briefly say, this is an ordinance that would commit the council to supporting an application to h.u.d. for a hope vi grant, much like the one we received for \$35 million to revitalize columbia villa. The reason we're pushing this now is that I think sadly that bush administration has been basically phased out these grants to help public housing. The final application and process is now, and so but this is our last chance to attempt to apply for these type of funds. Steve will describe, I believe iris court, with everyone is familiar with, I suspect commissioner Leonard and mayor Potter know it deeply from their time in public safety roles, is in bad need of repair. And it's the home to quite a few families, many, many children, and this is a chance to apply for a grant that would help us revitalize that, which we're going to have to do, period, at some time in the future. The housing authority has requested that the city support this project with approximately \$2 million contribution. What i've outlined in the ordinance, and the housing manager at the city, working out of my office, has worked very hard. Our recommendation is that we make that -- make that commitment conditional upon getting the grant and receiving all of the other funds. As the council is well aware, we have housing grants out there that we have yet to identify -- they will be paid, but we have yet to identify the funds for in terms of finishing the columbia villa project. With that in mind we're proposing that this \$2 million not come from new money, that we would -- we see this as a high enough project, a high enough priority that we will work with my office to find the blown out of block grant and other funds over multiple years. So our housing budget is large enough that it's always hard to find money, but I think the idea of finding \$2 million over several years should not be daunting to it. And I just think we would be really, really making a mistake to pass up the chance to try and go after this federal funding for lack of that. So we will not be back to the council asking for another general fund allocation. We believe that the fee waivers can count toward that \$2 million as a match. That will be a big chunk of it. I suspect the actual cash match looks more like \$1.5 million. Again, the block grant will shoulder that, if we have the great fortune to be successful. With that i'll turn it over to jeff.

Jeff Bacharach, Chair, Housing Authority Board: I'm here today in my role as vice-chair of the housing authority's board of commissioners. I will be brief, since commissioner Sten has given you a summary of why we're here, which was my role today. Erik has filled in about 90% of my comments. Let me just add a couple more if I would. Our commission has made iris court our top priority. While we're hopeful and optimistic that this grant will be a spur to its redevelopment, one way or another we will redevelopment it. If we can't get the federal government to develop it, we'll be back talking to you because this will remain a top priority. We're optimistic on getting the grant from the federal government. I hope this council understands you were our vital partner in that endeavor, both political support, your staff support, your financial support. It is as much a city of Portland project as it has been a housing authority project. And we hope you share our pride in the success of that project. So that's why we're hopeful, optimistic, that h.u.d. too has been impressed with our track record on that project. We've delivered the product on time, already faster than what was already a fast timeline, we've exceeded budgets, meaning positively, coming in under budget, achieved many of the social goals. So it's a proven product and we think that impresses h.u.d., which is why we're -- we're hopeful with the city as a our partner, we're going to get a second opportunity at iris court to prove this community knows how to do this kind of revitalization of a community that really needs it. And so your support today will sort of be the final touches on the application that the h.a.p. Staff has been working on and submitting later this month. You'll be

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joining a long list of community partners and political partners supporting it, and ultimately you're the final piece, strongest and most important piece to tell h.u.d. this community's ready to do it again. So I thank you for what I hope will be your support. I'll turn it over to Steve.

Steve Rudman, Executive Director, Housing Authority of Portland: Mayor, commissioners, Steve Rudman, executive director of housing authority of Portland. I think Jeff and Commissioner Sten did a good job of looking at why we're doing this. I'm prepared to go over the project briefly. We have talked to your offices. I think the packet, you can see the map, it's a much smaller site. We're talking five acres. But in many ways it's much more than in the middle of the center of the city, and particularly with Jefferson High School and redevelopment potential and Portland Community College and what's going on in Killingsworth, there's a lot of potential assets to partners in this site. It's not nearly as isolated in one sense as Columbia Villa was, or New Columbia, in the far part of North Portland. It is a more challenging site, since it's only five acres, and transportation and access is a big issue that we have chatted with the community, the residents, and the infrastructure bureaus about. And I think the important piece to know is that if in your chart you'll see little peach piece of paper. What works with this -- this is really the apply for the Hope VI grant. I think we will compete well. We might be near the end of that program. It's proven that it can be successfully used and work for the community and the residents in our venture here, working with you and Portland with New Columbia, but nationally doesn't have the support that it once did. So we think we have a shot of drawing -- the important piece, I think, for the city council to know is that when -- five years ago when H.A.P. looking at doing a Hope VI, Iris Court came out number one in terms of the need. It's just a much smaller site and didn't lend itself toward a comprehensive redevelopment. We don't own as much property, in other words. So we are looking at some of the adjacent property owners. You'll see at the southeast part of the map, right below Iris Court, you'll see the state of Oregon has a parking lot there. It's D.H.S. has a large facility. We're in discussions with them about potential redevelopment, co-redevelopment, bringing the development to the corner. So there's a lot of potential. But the important piece to know is that we want to redevelop it in a way that really draws upon the seven community meetings we've already had in five weeks with the residents and community members, and with the same kind of commitment to process and commitment to community goals we would of course shoot for in the Iris Court redevelopment. What we're bringing back is going to be 129 rental units. We're going to bring back all the public housing here as opposed to New Columbia. It's a changing neighborhood, having affordable, well-managed, well-designed properties are important in a changing neighborhood. There will be some homeownership component off site, but doesn't lend itself to the same kind of comprehensive redevelopment. We need more greenspace. There will be a safe place for kids to play. The demographics, as you see, it's a very poor community. About 80% of the residents make less than 15% of median income. There's about 65 children, age 11 or younger living there. And there's no place to play. So we want to really change the design and really look at that. Of course, we'll do green infrastructure on site. Albina Head Start will be invited to come back with one additional office. Portland Police Bureau wants to do a bike patrol office there. Remember, years ago there was a community policing office at Iris Court. And I think the most important piece of the Hope VI grant in many ways it brings new resources into this community. We will redevelop this site, but instead of competing for local and state housing development the \$16 million or \$17 million of equity will go a long ways of making this happen. The support services to the residents and relocation and also helping the families look at linkage to say what they -- what they need to provide more for their families is much greater in Hope VI grant than any kind of development that's possible. So a lot of that will all come back. We're trying to basically have a competitive application. If we're unsuccessful, which I don't think we will be, we'll clear have to come back to the table with the city and our other partners, but there's been a lot of support for this venture heretofore. I'll leave it at that, unless there's questions. Thanks.

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Potter: Questions? I wanted to ask a question -- actually make some suggestions, steve. I remember when we had a community policing office there, and the advantage of not just having police on the premises, they actually helped citizens organize a foot patrol and organize other activities. There was a full-time employment special. There was a health nurse because a number of children were not covered by the Oregon health plan. So having those kind of services on the premises really helped begin to build a sense of community there.

*****: Uh-huh.

Potter: So I would highly recommend that you look, not just at having the bicycle patrol there, but perhaps a greater presence of some of these other folks that can help provide direct immediate services to the people living in the area. Second thing is, perhaps when you get ready for the design phase, is to consider some of the design elements found in crime prevention to environmental design, so you design out some of the problems immediately rather than allowing those -- the design to work against the community, it works with them. So those two elements to me are very important. I'll be looking at that as we progress through the different phases.

Rudman: We're on the same page. Thank you, mayor.

Potter: Thank you. Other questions? Thank you, folks, very much. Anyone signed up to testify on this?

Moore: I had sheila holden. And walter valenta.

*****: Good morning. I think it's still morning.

Potter: Thanks for being here, folks. Please state your name when you testify.

*****: Go ahead.

Walter Valenta, Co-chair, Interstate Urban Renewal Area: Hi. I'm walter valenta. I'm the cochair of the interstate corridor urban renewal area with sheila. We're here to talk about this project in the context of that urban renewal district. When the idea first came forward, steve rudman called me up and he said -- left me a message that said, "we're going to work on iris court with hope vi, but don't worry, we won't ask for any money from the urban renewal district." I called him back, and said, "great, will you put that in writing?" so he did. I want to submit that to this.

Adams: Did he sign it?

Valenta: He did, but, you know, it seems like in today's political context you say words and then when you want to change your mind you go back and you reinterpret those words.

Adams: Yes.

Valenta: The words actually said they will not be requesting dollars, so that doesn't mean when you're going around looking to find money that you won't come looking to our pot. That's really what I want to talk about, because as you restructure p.d.c. and make changes to be citizen-involved, you know, one of the things that would be really great is to quit looking at these citizen-involved urban renewal districts like ours as a place you go find large money chunks for regional projects. When new columbia villa came in, they also said, "don't worry, we won't be coming to the urban renewal district for money." that's what we heard. There's a lot of debate. Like I say, we like to rethink things. And we ended up breaking that into our -- into our budget, \$6.7 million on top of the \$30 million for the light rail, and we keep pushing aside all of the things that the citizens who spent years and years and years working on their ideas on what to do with this district, and we keep pushing back, because there's no money for those. When you pay \$30 million for the light rail, we haven't even paid the \$6.5 million contribution toward hope vi, but borrowed towards it, and meanwhile we have other citizens trying to get their projects and their ideas -- last year parks got \$150,000 for the whole district to leverage, and they did great things with that, but, you know, so here we have all the citizens barely getting any money for the things that were most important to them that the district was kind of set up to do, and new big regional projects keep coming in to try to grab the money. And it isn't that this isn't a noteworthy project. This is a very good project. It's just that we're already spending out six, seven years out into the future on the monies already, and

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so we just want to go on the record now, as you go look for where this \$2 million or \$1 million comes in, remember this discussion now, and remember the discussion that we think we had before, so that as they find that money that we make sure that we keep the other important goals of this district intact. It can't just be to fund big projects that weren't in the pipeline when the district was set up. Even if they're noteworthy, even if they're doing a good job, even if they're worthwhile projects. Thank you.

Leonard: Walter, I have a question. This is probably one of those times I should probably not ask it, but I am compelled. I don't quite understand why anybody would agree not to use the urban renewal area to fix what I consider to be urban blight, which my understanding is that's precisely what we are urban renewal districts for. There are a number of us that think actually the mission of urban renewal districts in Portland have lost its way and have forgotten that the point, the original idea in the 1940's behind urban renewal areas, that then morphed into the 1950's, and then of course in 1958 the creation of p.d.c., was precisely this kind of a project. So i'm not clear why anybody would agree with you that we would not look to the urban renewal area to help fund what I consider to be its primary mission, and that's to fix urban blight. If this isn't it, what is?

Valenta: Sheila's going to discuss this a little bit specifically, what the charter of this urban renewal district -- this is not inconsistent with the -- some of the charter of the urban renewal district, but everybody's got to get in the line, because there are also 25 other projects that are also consistent that keep getting pushed back. If you want to have the citizens be involved in this process, and you do a citizen process, and then you do another one and another one, year after year after year, and keep saying the things that are important to you are going to come along, just wait after we do this, and then you keep putting in new priorities that weren't part of the citizen-led efforts to do this, even if they're noteworthy, you have to make that balance, otherwise the citizens feel like that, why did we even participate in this process?

Leonard: I appreciate that. And i've been critical of that same phenomenon myself. But i'm just curious how many people from new hope may have participated -- i'm sorry, not new hope -- but iris court might have participated in developing what that list is. I'd be interested to see what this project looks like stacked up against other projects you've determined, because i'm not one that feels that we need to freeze a point in time by which we say, ok, today we're going to cut off discussion about what can be decided -- or considered for urban renewal dollars. I mean, I know of really no other project that I can think of citywide that probably is more deserving of you are been newly dollars than this, and you're pretty adamant --

Sheila Holden, Co-Chair Interstate Corridor Urban Renewal Area Advisory Committee (ICURAC) and Chair of North/Northeast Economic Development Alliance: It depends on how it's implemented in one way.

Leonard: Ok.

Holden: Social engineering is a very dynamic thing, especially when you're always trying to create the best and highest use of community and economic --

Potter: State your name.

Holden: My name is sheila holden, regional community manager for pacific power and am here today in the capacity of being cochair of the icurac and chair of the north/northeast economic development alliance. To respond directly, you're right. In fact, in 2002, there was a study done by the national consumer law project to look at hope vi's projects nationally and how do they stack up.

One of their comparisons was related directly to urban renewal and urban renewal in this original sense, in that you go in, you tear out everything, and you build some edifice up. What we've been pushing for, and we continue to push for, even with this project as we did with the hope vi project, is that you do true community and economic development, so that you create wealth and opportunity for the residents who live in that -- in that project, as well as for the surrounding local businesses and residents in that area, and that you integrate the project in such a way so that you do

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come to the best and highest use value for that community. And there are -- there are a lot of conversations -- there is a lot of conversation about what is severely distressed. 6% of the nation's hope vi -- or housing projects are severely distressed, as -- is iris court severely distressed? Iris court is one of those comments where we've already done a little bit of social engineering, as mayor Potter mentioned earlier. I think what happened is we created some of those cul-de-sacs to kind of contain that community. We put in the community policing center, and we didn't quite keep it up and manage it. So now we've created our own set of problems again. And i'm hoping that in this process, that we look at how we can truly create something that's going to work, be successful this time around, and that really adheres to some goals and objectives that we clearly identified up front, and that we work diligent to try to accomplish.

Leonard: I appreciate what you're saying. I don't want you to misunderstand, but I do think it's important that you're being candid for myself, at least for myself being candid with you, for instance for the new project that replaces columbia villa, I see no better use of an urban renewal dollar, and it sounded to me that you agreed with that, that you felt a little bit that you had to invest money that you otherwise would have spent somewhere else. I can think of no better return than to have children and parents live in a place -- I don't consider that social engineering -- that they're proud of. I've long felt if you give people the tools to succeed, they'll get on the bus and figure out to get a job or to go to school if they feel good about themselves. Investing in new columbia and this project, I think, allows the people within that urban renewal area to have tools that they'll figure out how to succeed in life.

*******:** Well --

Leonard: And I just want -- you're feeling pretty strong that way. I feel pretty strong this way. I want to make sure we understand each other, that I don't necessarily agree that -- that we shouldn't have a discussion about this in the future, if it became appropriate. We should do that, talk about it, talk it through, but definitely you should not be ignored. But I -- I don't know.

Sten: I think they've done a terrific job on this citizens process. Let me just say I believe the tension is more about a shortage of money to accomplish really great things than it is about huge difference in priorities. I just would say two things. One is I couldn't disagree more strongly that key members of the decision making process including but not only me were crystal-clear that we did not agree with the decision that was advised by the advisory council that no urban renewal money would be available for hope vi. That was a clear distinction made from day one. My point of view is that the citizens that live in those housing projects have just as much of a voice as everybody else, and i'll stand up for that. That being said, i'm saying to you I don't believe we should go to urban renewal for iris court, because I think those arguments have worked their way to a conclusion there isn't any more money to come in at this stage I think and go for that would, I think, be not the right approach. So I did not -- I did not say to you, I wouldn't support money for new columbia. I did support money for new columbia. There's money there for new columbia. At this point I agree with you on this piece. The only other thing I would say, I think your argument is a good one, walter, and you've been an amazing volunteer, I deeply appreciate all the work you've done in all sincerity. I think there's a difference between the argument you're making around a project like light rail and the argument you're making around low-income housing for people who live in the urban renewal district. I think one, you can make the argument regional or not. The other I don't think is a regional project. I think it's a local project. It's just a matter of which local projects need -- are we going to do first.

Holden: Where are the priorities?

Sten: Yeah.

Valenta: Right, but just -- I think this is a worthwhile project. I think new columbia was a worthwhile project. And there are more worthwhile projects. And there's a list of worthwhile projects. What i'm saying is we haven't -- we've earmarked money from the urban renewal district

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for hope vi, but we haven't earned that money yet. We haven't paid that bill yet. The district hasn't paid it back yet. We haven't paid back the \$30 million yet. So we have a lot of encumbrances on this district already. Before we put another encumbrance on this, not that it's not worthy, not that 20 years from now we can't afford it, I want you to remember that there are countless grassroots citizen-led projects that are being pushed aside and not being done for lack of money as we -- as we prespend these district -- that's why we want to have this discussion together so that it doesn't end up feeling like that last minute, oh, there's half a million dollars we'll pull out of the district and we aren't part of this discussion. There are deep feelings about what happened with hope vi, right or wrong, we want to have this time have there be none of that vibe that happened with hope vi now that there's another money that's required. That's what we're really trying to say.

Sten: No. I think that's very clear. I won't go any further, because I think you're being clear. That's why I opened my comments by making the statement that we have not finished paying off the new hope loans, so therefore we're not going up here. What I rose up in my seat about was the argument that we said we weren't going to go to the urban renewal money for new hope. That's a hugely different distinction. In this case the council is saying, at least i'm saying, that that's not where we intend to go. I can't sit with the analogy that we changed our word on new hope, and therefore we can't be trusted on this one. I think we were very consistent on the new hope.

Holden: I think, erik, your point's well made. I think, though, that also proves walter's point, because the reality is this -- we had 55 people and about 100 more in a room. And when -- when h.a.p. came and asked to be included in the urban renewal area, when we were voting on the boundaries of what the area would be, they committed that the only reason that they would be in the boundaries was so that they could put that on their application, that they would not at any point in the future be coming back and asking or receiving funds from the urban renewal area. As you know, this was a very heated time, because we had gone from \$10 million to \$20 million to \$30 million to fund the light rail. So based on that conversation in that heated meeting, there was a vote of those 55 members, with the mayor and with representatives from a fun of the commissioners' offices sitting in that room, and it was agreed upon, with all those votes, the majority votes, that that we would include them in the urban renewal area with that caveat. Now, we are advisory, but there's a lot of negotiating that went on behind the scene, and in -- in -- well, inferred agreement with the fact that this would not come up at any point in the future, which is why it was so much of an issue when it did. And we made the request that if they're going to get some money, then the district should get some funds, and let's be as creative this time around for that as well. So though I hear what you're saying, the reality of what we went through during that time, because it was very heated, was that there was agreement, consensus from that -- all those concerned, that it was not going to be something that came -- that came back to the table. It did. And as I said, it's a dynamic process. Opportunities come, or issues arise and you have to take advantage of it, and as I say sometimes make lemonade out of lemons. I think that's happened as a result of the hope vi project there's some lessons learned, and that's what i'm here to talk about, are the lessons learned, that I hope get incorporated at the front end of the iris court project as it goes in for application.

Valenta: We don't want to repeat what happened before. The whole purpose of us coming here, we want to let that other period go, but that the next chapter can be handled where we feel at the end that we feel great about this process, instead of having these residual bad feelings.

Potter: Folks, we have to move this process along. Sheila, I think you had a statement you wanted to make in regards to lessons learned.

Holden: Yes. In march of 2003 the city, h.a.p. and the alliance entered into a memorandum of understanding to assure that the identification of opportunities throughout the rebuilding of columbia villa meet the agreed upon goals for villa residents, local businesses and residents of the local area. Lessons learned in the implementation are to make the existing number of existing subsidized housing units equal to or better than those that exist there now, that the quality of -- and

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size and occupancy levels be similar to those that are there now, and that the number of units are the same or better. We say this because one of the issues that hope vi is addressing is they -- as people are displaced and moved out into the community, there are changes that happen in how h.u.d. does its voucher system and what have you that end up when people come back, they can't buy with their vouchers the same quality or number of bedrooms or units as they had had perhaps when they originally were there. So those are some of the issues that we would like to make sure in this project get addressed. The other is the use and opportunity that we proactively use the opportunity to increase the quality of local jobs that are -- that we can track so that we don't end up with a situation where the way we're doing it now, if a job -- if someone works for two weeks doing demolition, which is, you know, basically dust tearing something down, and need more demolition later on, they call those -- that same person back in maybe and have them do that work. That counts as two jobs, not a quality job. So being able to better track what jobs are being offered, and look for opportunities to incorporate the ability for local residents within iris court to have to perform those jobs. There's a section three program that talks about job creation and development of business among the residents. They're creative ways of doing that. Through the m.o.u. recommendation process we've made some of those recommendations to h.a.p. on how that can be done, and we would like to see those incorporated in this project up front, that if you do some creative planning up front and identify where the opportunities are, and proactively go at seeking individuals with some skill sets that might be able to fulfill that, then there will be an better opportunity to produce jobs from the local residents of the iris court. Then to require that performance levels are met for h.u.d. and for the local community with continuous oversight throughout the project, and that it be an amenable process, an opportunity to look for increasing the value, not something that is to the detriment -- not to be seen in an a defensive way, but working to get the best use out the funds that we have. We keep saying this. We talk about lessons learned, best models and best practices. For all that we say about the tri-met project and the light rail, everybody's proud of it, and what it's become, and we're proud of how they got it built. There are some lessons learned in how to work with the general contractor and various subs and minority and enterprise businesses associated with that that can build capacity and help those businesses to grow. We would like to see that implemented and looked at early on in the bid process development and also as it relates to the g.m. and what's required of the g.m. Finally to ensure that these businesses are awarded and paid for performance on time, because small businesses can't afford to wait six -- 60 days for payment because they're -- they're poor -- a lot of them are cash poor. So their capital investment is -- their capital to reinvest is low, so they need those monies for cash flow on time. And then make sure that h.a.p., as partners, will continue to partner with nonprofits that are working hard to keep housing affordable in the community. And I think those are the things that we would like to see become major parts of this project going forward. Again, as I close, over my time limit, i'd like to say that we think that the iris court project is something that is an opportunity to take advantage of funds that are coming from the -- funds coming from the federal government, but we really miss the boat if we don't take that money and make sure that it is something that's going to add the best quality housing and community development opportunities that we can for the -- for the surrounding community and for north/northeast Portland. Thank you.

Potter: Questions? Thank you very much.

Moore: That's all who signed up. Any questions or discussion amongst the council? This is an emergency vote.

Adams: Could we just have steve respond to walter's concern about the language in the letter.

Potter: Ok.

Adams: That word "request."

Rudman: Commissioner Sten represented it well, that we did not request, nor does the city at this point, utilization of tax increment funds.

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Sten: Let me just make a clear point to the council. It's not -- it's not any kind of game. The council committed \$20 million to hope vi, to new columbia. It's not steve rudman's job to figure out where we're going to get \$20 million, \$3 million for this project. It's our job. And so I think that, again, where I was being pretty prickly, is I was the housing commissioner at that time. I did lead the council's efforts to make the \$20 million commitment, and I was crystal-clear, as anybody could imagine, that I don't view local urban renewal funds as off limits for the residents of columbia villa.

Whatever meetings happened, whatever was promised, that is unfortunate, but as the housing commissioner that promise was never made that I would not go after those funds as a way to help do this. In this case i'm making that promise, because I don't think we need to. And I think it would build on a bunch of unfortunate events. And so that's that. But I really want to be here. It's not h.a.p.'s decision how the city funds its commitments. So it's not steve rudman's commitment to make.

Adams: Fair enough. Thank you.

Potter: Other questions. Karla, please call the vote.

Adams: Well, i'm going to support this on the -- I appreciate the commitment. And also, this is a part of my neighborhood that has a lot of under-utilized vacant land and under-utilized buildings, and I think this redevelopment will catalyze a renaissance of a portion of this area that is -- builds on the renaissance on mississippi. So I think it will stretch the renaissance of mississippi further out. I think that will bring in more tax increment proceeds in the process of doing that, that hopefully will provide additional revenues that were not forecasted or anticipated for the tax increment district and by way of disclaimer for which I live in. So I view this as a -- an excellent project, one that will create a renaissance of an incredibly under-utilized part of north and northeast Portland. Aye.

Leonard: Well, I appreciate the discussion we've had here today and the clarification of commissioner Sten's position relative to new hope, columbia villa. I may -- you know, I -- I have been absolutely completely impressed by the leadership of commissioner Sten for a number of years, but since i've been here intimately understand the amount of commitment he has and the time he's invested with his staff to make housing -- decent housing available to families. I am in alterably unmovable on the theory that particularly children who grow up in an environment that themself good about helps them build their self-esteem. The other side of the coin being when they grow up in an environment they don't feel good about, it causes damage that I believe we end up paying for in the long run for a variety of different reasons. You know, I know this is off topic a little bit, but i'm sorry, I think it's an important thing to address, but I would hope that everybody would be proud of the work done at new columbia. And whatever stake they had in it, i'm just very proud that at the last minute literally I was asked by commissioner Sten to cochair a committee here at the council overseeing the project, that, you know, I ended up doing very little about, but got to see some very wonderful things happen that I will argue will do more for that urban renewal area than almost any other possible thing when you have healthy families moving in with jobs, paying taxes, not living in shacks, it does nothing but up the values of everybody in the community. Iris court is the same thing. It's going to make an investment in the community, going to create healthier citizens in a variety of levels. I respect commissioner Sten's commitment. I make no commitment. I think of no better or higher use for urban renewal dollars. And I respect very much the urban renewal advisory committees. I work closely with lents right now, working on very important changes to that urban renewal area, and I don't want you at all to misunderstand the comments, but I do think we have to have an opportunity to have discussions, too. You can have a point and I can have a point, and we can agree sometimes to disagree. I think that's ok. But I appreciate, again, this work on this project. It's something I feel very strong about. I'm glad commissioner Sten's here leading the charge on this, because I don't know that anybody else would

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have the knowledge, background and commitment that he does, and I think this is one of the most important things we can do in our community. Aye.

Sten: Just like I did last time I will stick to my commitment even though last time my commitment was counter. I want to make a couple of quick thoughts and I think I have stated in my opening how important this project is, how exciting it is. I think it will be hugely important. I appreciate h.a.p. and I also want to say as I make three quick thoughts that Walter has been a terrific, terrific leader on this project and it's a city as healthy if you can argue about things and move forward. It's not healthy if things get down behind closed doors and nobody knows what the arguments are. These are good arguments. That being said I think this, everybody's talking about lessons learned. I want to put two quick lessons on the table to the council to think about as we go about reshaping p.d.c. And they are simply this. One is, I believe when the council does not provide clear direction on the front end, staff either inadvertently or purposefully start pushing their own agenda. I do believe there was a staff agenda to keep p.d.c. funds out of new Columbia at p.d.c. In the past. I am not saying it was any one person but I am saying I think there was a sense there were other projects that wanted to be done so I think the citizens committee was not always clearly in line, the citizens committee did not have clear conversation with me and some of the other council members and that's partly our fault on how that happened. The second is, and this I think is a tough one but I really believe we have to address this. Urban renewal districts work in neighborhoods by definition. Sometimes neighborhoods are very much residential, blue collar, lower income neighborhoods like Interstate, sometimes they are places like the Meier and Frank building downtown. Nonetheless those urban renewal districts are any way you cut it funded by the entire city. The taxes that are put into that area are not going into police, fire, schools and other things and therefore by anybody's estimation every tax payer city funds it. The way we currently do the p.d.c. budget I think is outrageous, which is that one by one, we have local neighborhood groups review these the impacts on their budget in the urban renewal budget while nobody reviews the whole budget as a citizen except the commission to look at the interests and there has to be a balance between what are the interests of the local property owners and what are the interests of the regional property owners who are also paying for this? And that balance is inherently missing right now in the process that has been set up by p.d.c. to advise itself. And you see where I am getting at? I think p.d.c. has a process where ultimately it does not get the full input it needs on the front end who is, we can argue about who legally and what but this council is intended for the proper spending of that money so things like should housing residents, should public housing be involved in that has to be addressed at that council level and then we have to have an input process that balances all these pieces. I don't think we have any of those there and this kind of misunderstanding is the result. So we are moving to take care of these things. But obviously, got a little worked up on this and there's a long history here I think and council needs to own correcting it. Aye.

Potter: You know, I was listening to these folks talk, and they, Sheila talked about more opportunities for creating wealth. And I think that's very important, Sheila. And I notice in this that there are 21 opportunities for home ownership in this package. And that means 21 opportunities for families to create wealth that they did not have before. So I think there's a lot of good things to come from this. And I support this effort. And the effort of the housing authority. I think what's been said, though, always reminds us that we have to communicate and make sure that we engage our entire community and those with both a vested interest or as commissioner Sten said, because this takes money from other areas, that we also have a responsibility to include them in this. I think it's a great project. I am looking forward to seeing it completed. And not just building housing units but building community in that area. I think it's a great step and I vote aye.

Sten: Could I make one last comment?

Potter: Ok.

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Sten: I misspoke. In my opening. It's an important and I think compliment to h.a.p. We are making a \$3 million commitment but because h.a.p. is ahead of budget on new columbia they are going to return \$1 million of our \$20 million commitment and transfer it to iris court so we are actually making a \$3 million commitment to iris court but we need to find \$2 million to do so if things work out the way we are expecting. [gavel pounded]

Potter: Thank you. And you have to leave now, commissioner?

Sten: I'm sorry.

Potter: Thank you.

Potter: Item 781 is a continuation of 780. This is an emergency vote. Any discussion on city council where we need staff to come up and discuss? Ok. Please call the vote.

Item 781.

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

Item 782.

Potter: Yeah. [gavel pounded] I am asking item 82 be pulled back for further review and take it back to the city council at a later time.

Potter: 783.

Item 783.

Potter: This is second reading. No discussion vote only. Please call the roll.

Adams: Good job, brian. Aye.

Leonard: Aye.

Saltzman: Once again, good work to all the citizens who participated in the process and the great staffing from the office of neighborhood involvement. With the adoption of these rules, I can hardly wait to start phase two of it. Aye.

Potter: My thanks to the staff and all the citizens who served on this. As she pointed out this is a real long term commitment on the part of the citizens and I think they are complimented for staying the course and coming up with this product. Aye. Item 785. 84.

Item 784.

Potter: This is not emergency.

Moore: We continued it with the other item. We could just do a roll call.

Potter: Ok. 783 and 784.

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

Potter: Aye. [gavel pounded] item 785.

Item 785.

Adams: I had an opportunity to sit down with staff and go over this in great detail and I am satisfied it represents very good work.

Potter: This is the second reading so we will go directly to the vote.

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

Potter: Aye. [gavel pounded]

Adams: Thanks, paul.

Potter: That's all the items on the morning. We are adjourned until next week. Thank you.

At 12:11 p.m., Council adjourned.