



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 1st DAY OF NOVEMBER, 2000 AT 9:30 A.M.

THOSE PRESENT WERE: Commissioner Saltzman, Presiding; Commissioners Francesconi, Hales and Sten, 4.

OFFICERS IN ATTENDANCE: Britta Olson, Clerk of the Council; Harry Auerbach, Senior Deputy City Attorney; and there was no Sergeant at Arms.

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

- 1583** **TIME CERTAIN: 9:30 AM** – Accept the final report for the Local Improvement District Redesign Process and direct the LID Program Administrator, through the Portland Office of Transportation, Bureau of Environmental Services, and City Auditor, to implement the recommendations contained within the report (Resolution introduced by Commissioners Hales and Saltzman and City Auditor Gary Blackmer)

Disposition: Resolution No. 35937. (Y-4)

CONSENT AGENDA - NO DISCUSSION

- 1584** Vacate a certain portion of SE Raymond Court, under certain conditions (Ordinance by Order of Council; C-9977)

Disposition: Passed to Second Reading November 8, 2000 at 9:30 a.m.

Mayor Vera Katz

- *1585** Create one new nonrepresented classification (Ordinance)

Disposition: Ordinance No. 175023. (Y-4)

- *1586** Create six positions for Bureau of Environmental Services and change wage at entry for Parks Sports Official classification (Ordinance)

Disposition: Ordinance No. 175024. (Y-4)

- 1587** Grant a ten-year property tax exemption to Hoyt Street Properties, LLC for new multiple-unit housing on the block bounded by NW 11th, 12th, Lovejoy, and Marshall Streets (Ordinance)

Disposition: Passed to Second Reading November 8, 2000 at 9:30 a.m.

NOVEMBER 1, 2000

Commissioner Jim Francesconi

- *1588** Contribute \$24,500 towards the purchase price of property in southwest Portland on the mainstem of Fanno Creek in the Fanno Creek Regional Target Area (Ordinance)

Disposition: Ordinance No. 175025. (Y-4)

- *1589** Authorize a Cooperative Improvements Agreement between State of Oregon (ODOT), Parks and Recreation and Portland Development Commission to construct and maintain Willamette Greenway improvements on ODOT-owned property beneath the Marquam Bridge on the west side of the Willamette River (Ordinance; repeal Ordinance No. 172948)

Disposition: Ordinance No. 175026. (Y-4)

Commissioner Charlie Hales

- 1590** Set hearing date, 9:30 a.m., Wednesday, November 22, 2000, to vacate a portion of SW Sixth Avenue west of SW Sheridan Street (Report; C-9978)

Disposition: Adopted. (Y-4)

- *1591** Authorize the continuance of negotiations for the purchase of property and easements and payment of relocation costs required for the Lower Albina Overcrossing Project, authorize the City Attorney to commence condemnation proceedings, if necessary, and obtain early possession (Ordinance)

Disposition: Ordinance No. 175027. (Y-4)

- 1592** Authorize an agreement with Integrated Energy Services for an amount not to exceed \$25,000 to provide engineering services for miscellaneous professional services in the area of HVAC system performance optimization and provide for payment (Second Reading Agenda 1566)

Disposition: Ordinance No. 175028. (Y-4)

Commissioner Dan Saltzman

- *1593** Authorize the Purchasing Agent to sign a purchase order to serve as a contract for repair of the Shipyard Pump Station pressure line in the Burgard Street Overpass area in the amount of \$120,000 without advertising for bids and provide for payment (Ordinance)

Disposition: Ordinance No. 175029. (Y-4)

- *1594** Authorize a purchase order to serve as a contract to East Wind Construction for the SW Canyon Rd. at SW Murray St. emergency sewer reconstruction project, Project No. 6950, for \$119,000 and provide for payment (Ordinance)

NOVEMBER 1, 2000

Disposition: Ordinance No. 175030. (Y-4)

- *1595** Authorize a contract and provide for payment for the construction of Alder Basin relief and reconstruction project - Phase 6 mid-basin side sewers, Project No. 6075 (Ordinance)

Disposition: Ordinance No. 175031. (Y-4)

- *1596** Amend Ordinance which authorized the Purchase Agent to sign a Purchase Order as a contract to purchase and install two truck scales at the Columbia Boulevard Wastewater Treatment Plant, Project No. 6796, for an increase from \$71,000 to \$140,000 (Ordinance; amend Ordinance No. 174337)

Disposition: Ordinance No. 175032. (Y-4)

- *1597** Authorize the Purchasing Agent to sign a Purchase Order as a contract with the lowest responsible bidder for protective coatings at the Tryon Creek Wastewater Treatment Plant, Project No. 6946 (Ordinance)

Disposition: Ordinance No. 175033. (Y-4)

- *1598** Authorize a contract with PowerWare, Inc. for software development not to exceed \$51,000 (Ordinance)

Disposition: Ordinance No. 175034. (Y-4)

Commissioner Erik Sten

- *1599** Amend contract with American Property Management to increase rental space (Ordinance; amend Contract No. 51374)

Disposition: Ordinance No. 175035. (Y-4)

REGULAR AGENDA

Mayor Vera Katz

- *1600** Exempt the selection of janitorial service contractors from competitive bidding and authorize use of a Request For Proposal process (Ordinance)

Disposition: Ordinance No. 175036. (Y-4)

- *1601** Exempt the selection of a security guard services contractor from competitive bidding and authorize use of a Request For Proposal process (Ordinance)

Disposition: Ordinance No. 175037. (Y-4)

NOVEMBER 1, 2000

Commissioner Jim Francesconi

- *1602** Accept agreements between Multnomah County and the Boys and Girls Club to continue outreach program (Ordinance)

Disposition: Ordinance No. 175038. (Y-4)

Commissioner Dan Saltzman

- 1603** Contract with Comark Government and Education for the purchase of 56 flat screen computer monitors for the Bureau of Emergency Communications operations floor (Ordinance)

Disposition: Passed to Second Reading November 8, 2000 at 9:30 a.m.

Commissioner Erik Sten

- *1604** Accept supplemental grant award of \$250,000 from U.S. Environmental Protection Agency for Portland Livable Communities Brownfield Showcase Project (Ordinance)

Disposition: Ordinance No. 175039. (Y-4)

- *1605** Loan Agreement with Portland Community Reinvestment Initiative, Inc. for \$318,000 of Community Development Block Grant float funds to acquire property for development of a new office and provide for payment (Ordinance)

Disposition: Ordinance No. 175040. (Y-4)

At 10:51a.m., Council recessed.

NOVEMBER 1, 2000

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,
OREGON WAS HELD THIS 1st DAY OF NOVEMBER, 2000 AT 2:00 P.M.

THOSE PRESENT WERE: Commissioner Saltzman, Presiding; Commissioners
Francesconi, Hales and Sten, 4.

OFFICERS IN ATTENDANCE: Britta Olson, Clerk of the Council; Kathryn Beaumont,
Senior Deputy City Attorney; and there was no Sergeant at Arms.

- 1606** **TIME CERTAIN: 2:00 PM** – Appeal of Lois Wakelin, James Boehm and Phillip Moran
against Hearings Officer's decision to approve the application of EJS Properties for a zone
change from R5 to CN2 in order to build a 45-unit or less multi-dwelling residential
development at 1636 and 1616 SE 39th Avenue (Hearing; Previous Agenda 1497; LUR
99-01022 ZC)

**Motion to tentatively deny appeal and uphold Hearings Officer's decision as modified
by the findings submitted by applicant's consultant:** Moved by Commissioner Hales
and seconded by Commissioner Francesconi.

Disposition: Tentatively Deny Appeal and Uphold Hearings Officer's Decision as
Modified by Applicant's Findings. (Y-4)
Prepare Findings for November 8, 2000 at 2:00 p.m.

Mayor Vera Katz

- *1607** Complete Environmental Overlay Zone Map refinement project and amend the Official
Zoning Maps (Ordinance)

Disposition: Ordinance No. 175041. (Y-4)

At 2:04 p.m., Council adjourned.

GARY BLACKMER
Auditor of the City of Portland



By Britta Olson
Clerk of the Council

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

NOVEMBER 1, 2000

Closed Caption Transcript of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

NOVEMBER 1, 2000 9:30 AM

Item 1583.

Matt Brown, Administrator, Local Improvement District (LID), Portland Department of Transportation (PDOT): Thank you. We can turn on the display. That would be great. My name is matt brown, local improvement district administrator in the office of transportation. I've been in this position --

Francesconi: Do you want to introduce your child and your wife?

Brown: It's not my child and my wife.

Francesconi: Sorry.

Brown: Those rumors start. [laughter] I told my wife to watch on city net this morning, so I hope things are going okay. But alana was involved in one of our past l.i.d.s, so she's got an interest in this as well. We've been working for the past couple years here with a lot of folks in the community on the local improvement district process, and i'm going to try to give you a fairly brief overview of where we've been. By now you all have a copy of the final report and hopefully you've had a chance to go through that. I'll try not to belabor too much of the presentation. By way of background, we got to this point today with a couple of contentious l.i.d.s I think that were symptomatic of problems in the local improvement district process. These were in southwest Portland, texas and 26th and the evans and 19th l.i.d.s, which came to the council in 1998 and were denied for a number of different reasons. Following those, city council passed a resolution to establish the l.i.d. Administrator position, which I filled, and then to begin the l.i.d. Redesign process and really take a look at how the city goes about forming and funding local improvement districts. And we began work on this process in -- intensely around may of '99. Just in general, why do we have an l.i.d. Tool, it's fairly simple. Local improvement districts allow property owners to build improvements that directly benefit them, like street and storm water improvements. So this is a way for them to get together and to fairly distribute the costs for street and storm water improvements. This is a tool the city's had at its disposal since its formation. But it's not the only tool by which streets and storm sewers are built in the city. We've improved them in a number of different ways through the development process, and if you look at a lot of older neighborhoods in Portland, inner east and inner west neighborhoods, it happened as those areas subdivided, as they developed, that's when we got streets and storm sewers developed. Again, related to development, we see permits that come in where people are building those with their own financing and through our permit system. Local improvement districts of course are a major way in which things have been improved, and also the city at times will go out and build these projects on our own volition or because of the priorities we are setting. I think very simple concept to try to get across the way -- and that they are a democratic process. The majority does rule in these districts. And it works both ways. The majority of property owners want to improve a street, it holds for that entire street and -- and it also works if the majority of people don't want their street improved, the minority has to live with that decision. The street doesn't get improved. So it's much like our democracy in that way, where everyone has to live with the majority decision. One of the things we've been able to do through the l.i.d. Process, or redesign process and -- is really try to get back to a lot of information about how we've done work on l.i.d.s in the past is to I guess correct some misperceptions about the

NOVEMBER 1, 2000

process that have held pretty strong both in the community and within the city. So there are a few myth that's we wanted to sort of get at. One is that streets in the city of -- have always been paid for 100% by adjacent property owners. I think you've -- that's a myth that a lot of folks in our city staff have bought into over time. Everyone has to pay for these streets, because everyone else did. That's simply not true. There's always been a variety of ways we've fund and helped to fund these. Property owners have paid anything from zero to 100% of those costs when you look around. Even today we're going out and paying for these streets in some neighborhoods at 100% level. And in most of the streets in the older areas in Portland, they were built through the development process when those neighborhoods were developed. So those costs were rolled into the cost of the home or the property that people were purchasing. It wasn't seen as a direct cost to a property owner. Another myth that we looked at, an l.i.d. Will increase my property taxes. A very common perception. That's simply not true. One of the important things today is of course we're capped under measure 50, taxes can't increase more than 3% a year. Also, while street improvements result in higher property value, they don't really factor into the way properties are assessed from a taxation standpoint. So even without measure 50, they -- property taxes aren't really a factor after streets are improved. One other example of a myth that we tried to address, sidewalks, street streets, other design requirements dramatically effect the cost of our projects. And the reality is that 80% of the costs of our improvements are just paving the street and putting in the requisite storm drainage for those streets. Sidewalks, maybe 8% of the cost, street trees maybe 5%, just a couple examples of order of magnitude costs on these projects. Most of it, paving and storm water. So really the question that we had to ask is -- as we came into the process was, how do we go about fixing the tool? Really want -- we want to approach this from the point of view of making it work for the people who actually use it, and that are the property owners. We tried to take the process and turn it around and ask questions in this process from their point of view. A couple things that I think really point to what is wrong with the process today. Just look at our rate of progress that we're getting out of this. We're getting about .4 miles done between 1990 and '97. Right now we have about 600 miles of unimproved or substandard streets. It's going to be a long time before we actually get to a complete system, counting on the current process that we have. So what we wanted to do in the proper -- public process was develop a work plan that really integrated property owners and neighborhood residents into our process and really trying to get them to help us understand what it would take to make the l.i.d. Process successful. And we had a number of different means where people were involved. One was a steering committee, composed of commissioners Hales and Saltzman, city auditor ballot measure miles an hour, and a combination of city residents and some bureau managers. There are also -- what we did was form three neighborhood working groups citywide, and i'll talk about those in a second. We held a couple open houses on the east and west side, newsletter mailings that went out, and some comment cards we received back from those mailings. The key part of the public process in my mind were the three neighborhood working groups. One in southwest, one in east Portland, one in inner southeast Portland. And over the last year and a half we've had probably 40 meetings with these folks over 200 participants in this. The idea was to open it up to anyone who is interested in talking about the l.i.d. Process and helping us improve that. And what we really got was we were able to hear a variety of issues citywide that I think helped us get an understanding for, you know, how different neighborhoods are even viewing street and storm water improvements and how we might work a process that really addresses specific neighborhood concerns. I think it was a very inclusive process as well. As compared to, say, a typical advisory committee where we may be -- maybe would have gotten five or ten people from the neighborhood involved, I feel we got 50, 60 people very intensively involved in this process to a level that you might normally see on an advisory committee. So the important part, what we heard from these people out in the neighborhoods when they talk about l.i.d.s, clearly cost is the driving issue for them as they look at an l.i.d. There's a strong desire to see more design flexibility in our street standards, a need for expanded

NOVEMBER 1, 2000

maintenance options -- some of these came in from the side, but were very closely related to how folks view their neighborhood streets. Desire to have a great err say in the design and l.i.d. Process, feeling fairly shut out of that process at this point. That for properties that have waivers on them, waivers of remonstrance, that there's a lack of awareness of the presence of those waivers on properties that needed to be addressed. I think what we heard were different views from different areas of Portland. That was really helpful to us in being able to understand sort of the differences between east and east -- east and west, or even different neighborhoods and what they're interested in. It helped add value. We may not hear things in southwest that we heard in southeast, and vice versa. I think there was a high level of frustration for folks living on these streets. We're paying all these taxes, we step out our front door, what do we see? There's not a lot. Now -- that was something we heard constantly in the process. A couple more points. There's a fear of forcing l.i.d.s on unwilling neighborhoods. The increased development pressures and the impact of -- that has on our substandard and unimproved streets in the neighborhoods, and I think folks feel like we're on the right track, and they're comfortable with where we're going. That leads really to where we're going, the recommendations. There are five factors that we've identified, we think are the most important as property owners are looking at forming a local improvement district. First and foremost was this -- what is this going to cost me? You could say that's one through five and then we start from there with the others. Beyond that, the other things are a guaranteed or not to exceed cost, so that there's not this feeling of signing a petition, the same thing as signing a blank check for street improvements, that the l.i.d. Proposal be fair and equitable to the property owners involved. That we have effective two-way communication between city and property owners in the neighborhood, and that the design of the street, the design of the improvements are reflective of property owners, neighborhood and city desires. There are obviously other issues, but if you're to rank the top five things, those -- if we could address those five factors I think we'd have a lot of successful l.i.d.s here at city council. So in sort of breaking that down, we looked at a number of different areas and made a number of different recommendations. First and foremost, in looking at the l.i.d. Process itself, there were a number of major issues. What is the role of the l.i.d. Administrator? Council established this, but we hadn't thought about how -- what is this person supposed to be doing, what are their responsibilities? The pre-l.i.d. Process. How are we working with property owners, with neighborhoods before they sign a petition? How are we getting them to that point where there's something they can support? Timing of the public input here at city council. When do we bring these l.i.d. Proposals to city council for their review? Design and engineering, again, that's one of the major overhead costs in our process, the actual time that's spent designing and engineering the street and storm water improvements. And then there are just a number of different very, you know, minor administrative efficiencies that combined will help us have a much more efficient process. First on the l.i.d. Administrator, our recommendations are that that person be housed in the office of transportation. 95% of the work essentially is going to be generated for l.i.d.s is going to come through transportation. I think it's important to have the person who's in charge of this process as close to the work as possible, as involved in that work as possible. And there are two reasons, because I see there's two roles for the l.i.d. Administrator. First, they're a facilitator between the city, the neighborhood, the property owners, community members for, you know, what is that l.i.d. Proposal going to be? How much will it cost? What are the city concerns? And really the l.i.d. Administrator is going to be facilitating that process and coming up with a proposal that people think is the right one, one they can support with a signature. Once that support is reached, we reach that agreement, then essentially the administrator becomes the guardian of that treatment and is responsible for ensuring that the city fulfills its end of that agreement and in getting that project delivered to the neighborhood and to the property owners. We put a lot of emphasis on the work we do with property owners, leading up to them signing a petition. And very important component is that we need to involve property owners and design l.i.d. Decisions. We cannot do these in our office like we've done

NOVEMBER 1, 2000

before. Part of this is really trying to reach agreement on what that l.i.d. Proposal is before we're asking folks to sign petitions. So what does the street look like, how much is it going to cost, how are we going to spread costs around, all those decisions are made prior to us delivering petitions. We get petitions back, we have support, that's when we go to council. We don't wait until we've spent \$250,000 on design. So we're going to come back immediately once we have support and present that to council. All the issues are present at that point. If we've given them a guaranteed cost, if we know what the boundaries are, if we know what the design is, if we know how we're spreading the cost, that's -- those are the issues we always hear from people. If they're going to have an issue, they already know it. That's the time for council to know that and give us direction on whether or not we should proceed. And at that point what we're asking council to do is say, hey, this is the project we want. Assuming you would approve the project. This is the project we want, this is what the cost is going to be, this is what the cost allocation is going to be, and therefore direct the l.i.d. Administrator, direct the responsible bureaus to deliver that project. The one we just defined, that's the one we want to see back here at council three months from now. And I think that direction, then, leads into the next piece. It gets us much more efficient on the design and engineering piece. We spent the time up front, we've gotten the direction from council, we don't any longer have our design staff back and forth with the community about what the design of the street should be, what -- how we're spreading costs, what the boundaries should be. All those things have been decided and are agreed upon by the property owners and residents and city council. So it really gets I think on the design engineering side, gets our staff very efficient and focused in on the work they need to do, and it's very clear, they're going to need to stick to that direction from city council and the neighborhood and the l.i.d. Administrator needs to be responsible for making sure that that direction is held to. One major area we encountered here, this begins to work into the work we do with property owners up front, is design flexibility. The goals for trying to create some more design flexibility for street improvements were pretty simple. One is that we just want to expand -- we're talking to property owners, we have a pretty clear understanding of the tools that are at our disposal as we can begin to work with them. And the next goal is simply to involve the neighborhood in determining what that street design is. Now, we're not going to be able to necessarily, you know, jump to whatever that neighborhood wants, but I think there's a process there that we're going to be able to go through, we can weigh different alternatives, and again, the administrator's role is to facilitate agreement between city staff, the community, property owners, on what it is people want to see there. So just to run very quickly through design standards, the idea is these aren't really standards that are going to be adopted. It's more of, here are the tools that are at our disposal, and if anything what we're saying is that we need to -- we have these tools today, and all we really need to do is turn around and involve property owners and -- in making some decisions about how those streets are going to be designed versus just doing it ourselves and -- in our office. And in that way we sort of broke it down. It's very simple. There are very few ways you can go about designing a street and storm water system. In terms of roadway drainage, there are only three ways you can drain water from a street. One is a crown section, it will drain off to both sides. Another is you can drain it to the middle and collect it in the middle of the street. And another is you can drain it to the side -- one side of the street versus both. Those are three options we have for draining a street. For storm water, one, we can collect water like we do in a lot of areas, into an inlet, into a manhole or pipe or such system that the water will go underground. The other option is that you can drain it to the side of a road into an open system of a ditch or a wider ditch, a swale. But there are no other options for how to collect storm water. Those are your two options. Those are options we have available to talk about today. Curbs. Standard curb, you know, six or seven inches of exposure at the side of the road. We can also build a curb that is flush with the existing pavement if we're going to drain water to the side of the road, or it may be possible to build a street that has no curbs, but it's not rocket science there. Are only a few different ways to deal with that issue. Same thing with sidewalks. The issue is,

NOVEMBER 1, 2000

do you have two side wakes, do you have one sidewalk, do you have no sidewalks? We lay it out in the report for dealing with how we would approach the sidewalk issue in trying to more -- I guess clarify where the pedestrian design guide was and give a little more definition -- definition to when and how we do those sidewalks. What we did then was to look at those design options, to try to evaluate what the cost impact would be of going in some different directions. We assembled four different packages. I'm not going to go into detail, but just to give a comparative cost -- again, to think back to one of the myths earlier that getting rid of sidewalks is going to cut the cost of my project in half, that really didn't bear out as we started to look through this. But in terms of relative comparison, we would say our existing design standards with sidewalks on both sides of the street, street trees, say a 26-foot-wide street would be about \$400 a linear foot with most of it taken up by roadway and drainage costs. Looking at four other options, we can start to reduce the costs perhaps by doing different things with drainage, or maybe only having one sidewalk. Going from \$400 to \$342 a foot. To \$329 with a shed drain and swale section to 325, 311, but the fact is, you're not cutting a project in half in terms of cost. You may get to a design that's more acceptable to the community, you may be able to impact costs somewhat, but the most you can get it down is maybe 20% to 25% somewhere in that range. And we're talking flat ground costs as well. So we wanted to make sure we're addressing design from that point of view, from the cost point of view as well. One of the areas we -- that came up constantly was maintenance of unimproved and substandard streets. Right now the city is really not taking ownership of those streets. I want to differentiate, we talked about design standards and what we're really talking about there are how do we take a substandard or unimproved street and actually improve it up to some level of standard, turning a dirt or gravel street into a paved street, for instance? We're talking about maintenance, it seems obvious, but we're talking about something completely different, how we maintain dirt or gravel street as a dirt or gravel street, not adding pavement to it. So what we're talking about with our current maintenance model is that our property owners are responsible for maintaining unimproved or substandard streets, that we haven't accepted for maintenance. I think there's a catch-22 here, because while they're responsible for the maintenance, effective maintenance will require a permit, but when you come in for a permit or -- our retirements approach more of an improvement level versus just maintaining the street in its condition. What we're proposing is that we address this by just coming up with a system to allow property owners to responsibly maintain their streets and allow them to do some maintenance activities in the right of way. Pretty simple. We are talking about relaxing the city code to allow certain kinds of maintenance activities, and it's subject to a few criteria. Not changing the existing improvement type or width. If it's paved right now, 20 feet wide, you can go in there and repair a street and that's what it remains. We don't go in and add curbs or things like that. Same thing, dirt and gravel remains a dirt or gravel street. The existing drainage pattern be retained, so you are not redirecting water off the street to other areas. And abutting property owners approve of the project. So since they're still responsible for that street, they need to be aware and approve of the maintenance worrying that's occurring. So that's the approach we're taking with maintenance. Another major issue, waivers. This is something that really came up -- one thing -- in has always been a conscientious issue, but one thing to keep in mind is that waivers are not by and -- by themselves part of the l.i.d. Process. They really are a side issue that come in, and I think they impact, you know, the success of our l.i.d. Projects. But we didn't want to -- we did want to make sure these were addressed, and have a few recommendations for dealing with that. First, what is a waiver? Very simple, a waiver allows a property owner to develop or subdivide without making street improvements. There are places where we just don't think it's reasonable to ask someone to make improvements for, say, a single-family home going into the middle of the street to try time prove that street whether they'd have to carry the storm water two more blocks, and do other things. Instead we asked for a waiver. The waiver basically -- the problems with waivers are that, one, we get away from getting things constructed at the time of the development, which I think we all know is the right time,

NOVEMBER 1, 2000

because older parts of Portland, those costs can be rolled into the cost of a new house that's being bought. There's also a feeling that the initial property owner or developer gets a free ride out of this process, that they are not paying anything into the system or really -- aren't really helping the system in any kind of way. There's a lack of understanding about what waivers mean for property owners that have them or purchasing properties that have them. I think the later property owners that come along feel certain -- a certain amount of resentment that they're bound by these and they really have no say in the l.i.d. Process. I would say -- I would add to that list actually that one other frustration, I think it's shared by staff and community alike, is that waivers are intended as a way to help us get things done. I think from a lot of our perspectives we're saying that's pretty ineffective right now in the form they're in. We need to somehow, if we're going to continue to use those, we need to figure out a way to make those more effective. So the recommendations around waivers are that we institute full disclosure in the property purchase process, and we're still -- we still don't have an answer from the city attorney on this, but whether we can legislate this on the council level, when we can require disclosure, that we go through a process of education and outreach, people are -- can adequately convey what a waiver means to potential purchasers. That we involve waiver properties in l.i.d. Decisions. I think this is important, because one of the areas we've always shot ourselves in the foot I think right off the bat is when we go out to a neighborhood and tell waiver property owners there's they have waivers, and that regardless of what comes out, their vote doesn't count in this. There's nothing in the waiver that says they can't help figure out what the design of a street is, that they can't come up along with a fellow property owner, how to most fairly spread the cost, what the boundaries should be. They should be involved in that process as much as any other property owners, and our goal should be not to rely on their petition, but to -- rely on their waiver, but to gain their signature on a petition. I think that has to be our approach to waiver properties. To treat them as equals in that process. We're also suggesting that we'd like to give the other recommendations on the l.i.d. Process a little time to see how they're working, but that we should come back and revisit the waiver system in three years. If it's not effective, we need to look at other kinds of things potentially to replace it. Right now it doesn't seem to make a lot of sense to toss out the entire waiver system without seeing first what some of the other recommendations for the l.i.d. Process will do and hopefully it will help us with -- in terms of getting more successful l.i.d.s. One of the last piecing I want to talk about is funding. As a little background to that, I want to talk about the cost of street improvements today. The average cost to property owners in 1990-97 was about \$1.10 per square foot of property owned. In '97, at the end of that period, it was up to about \$1.80 per square foot. Today what we're basically estimating for most property owners that we talked to is it's about \$2.50 a square foot. So over a decade, you know, we've more than doubled that cost to a property owner what a street improvement is. There's a number of reasons for that. Since that time, we've required sidewalks. These are -- can be small amounts, but they begin to add up. 1991 we started requiring sidewalks. '95 we started requiring street trees. In '98, we implemented storm water treatment regulations, which can add 10%, 20%, 30%, to a cost of a project. It's hard to nail down, depending on where you are in the city. We just implemented erosion control standards, which are going to result in some more costs. We don't know what those are going to be yet, since it's fairly reasonable, but those will be effect -- affecting us. We've experienced high construction and inflation over that decade, about 41% probably over that time, and we've also come into a time now where we've reduced the funding support for l.i.d.s from about 29% to in the next year's budget, to zero. So all these things combined together, you can see how we might get from \$1.10 a square foot to 2.50 in a decade. Again, that period between 1990 and '97, that 29%, which is shown in the color pie chart there, came from two main sources through the office of transportation and the intersection and drainage fund and other subsidies that came in, and through the bureau of environmental services, primarily through the drainage improvement program. I think really what we'd like to focus on today in terms of funding and sort of where we're at with the l.i.d. Redesign

NOVEMBER 1, 2000

process is trying to get at the rationale for why funding local infrastructure is an important issue for the city and why we should be supporting that. I think there are four primary issues and a few other related ones. First, the community decision, Portland has made the decision to accommodate the urban growth boundary, and by making that decision, a certain amount of development has come into our neighborhoods, we're beginning to feel more development pressure than had the you're bran growth boundary been allowed to just expand out into the country. The impacts of that on infrastructure can be pretty high. Second, the recently enacted requirements, sidewalks, street trees, all these things are providing a high level of community benefit versus a very specific local benefit. And I think we need to acknowledge that is an important factor in the kinds of improvements we're asking for as well as why the city should be asking -- helping support some of these projects. Third, improving local infrastructure will improve our stream health and water quality. We're not just going out there and waiving streets without -- with -- without regard for storm water, that really the street improvements storm water improvements are integrated, that -- and our goal is not just to pave a street, but to also improve the water quality at the same time by adhering to and maybe exceeding some of the storm water standards that are laid out for us today. And I think another important factor, local streets really I think help to either maintain or give us healthy neighborhoods. They're healthy from a couple different stand points. From a safety standpoint of getting kids out of the mud, out of the travelway of the street and on the sidewalks, or from a fiscal standpoint as well, that by helping to keep property values and property ownership up and by providing a sort of sense of e -- a quality neighborhood, that will continue to be a healthy and variety natural neighborhood in our city. A few other factors. Again, our current rate of progress, .4 miles per year, I think woe can do better than that. We've had a lot of subject says recently with projects where we have add reed the cost issue. You go out and we can't -- we can't confuse the .4 miles per year with some idea that there's no demand or no support out there to actually get things done. When we have funding, when we're able to get the price point to a place that people are willing to support something, there's a lot of support for getting projects built and completed. Again, our current funding trend is going in the opposite direction of what it had been in the past, and we're adding even less support at this point. And I think most importantly on this -- these points, funding local infrastructure is fair to residents. We have not just asked every city resident that lives on an unimproved street to pay 100% of their street costs. We have supported that in a variety of different ways, down through time. And that's been very clear as we've gone through this. So it is fair to people that do live on improved streets now to also help out those that don't. In that -- on the funding piece, we basically laid out three scenarios, what we're calling minimum recommended and optimum. The minimum is just to get our funding back to where it was in 1990. To around a 30% level of cost. To implement the l.i.d. Process changes that we've talked about and are contained in the report, and what we think would happen is that we're not going to get a whole lot done. Maybe you get another tenth of a mile done than you would have before, but still, you haven't fully addressed the cost issue. We would probably be looking at annual funding around \$350,000 for that scenario. The recommended scenario where we're coming at today and saying the one we should pursue right away is the -- the goal is to really reduce the property owner's share to about 50% of what it costs today. Again, implementing the l.i.d. Process changes as we're doing that. We think going through this process and implementing this scenario we would get about 2.2 miles of local streets done per year, and that would require annual funding level about -- of about \$2 million. The apartment memorandum scenario we laid out there because it's maybe more in line with the mission statement, but what would it take to get our whole system, the whole 600 miles done within 30 years? I think it's helpful to put that in context. Assuming we would maintain the property owner's share of 50%, we'd need to maintain 16.2 miles per year over the next 30 years to complete that system. The annual financing would be about \$13.5 million, and I think the key importance, and one of the reasons I don't think we can go in this direction at this point is we're not talking about an l.i.d. Process at that point

NOVEMBER 1, 2000

anymore, we're talking about the city driving a process for going out and saying, we will complete this system within 30 years, and the property owners are going to be involved in that process. It's not really a voluntary process anymore at that point. I don't think we're ready for that kind of scenario. But somewhere between 2 million a year and 13.5 million a year, you have to start talking about when do you fork over more of a voluntary process to one where the city is driving it. So our recommendations basically on that is to pursue the recommended scenario as our preferred funding level, to identify the funding source that's would support that l.i.d. Program, and to develop our goals and projects selection in the funding criteria for the l.i.d. Program. Last piece here, the action plan is our chapter 7, and these are the next steps we think are important. One, basically the l.i.d. Process implementation will be coming back with code specific -- specific code changes that may be required to implement the things we've talked about today. Property owner outreach, both from a point of view of informing people about the new l.i.d. Process, also informing, for instance, waived property owners about what waivers are and what they mean and beginning to do that kind of disclosure. Developing a policy and procedure manual for the l.i.d. Process, sort of a one place where anyone can go to figure out how to do an l.i.d. Developing our local infrastructure improvement program. Basically putting that funding program into place and developing that further as we have just talked about. And then ongoing program evaluation. We should understand, this is not a static point in time. We should always be evaluating this program and asking if there are ways to do this better. All these things are items that are funded within our budget this year that we, move forward and do, and that we're essentially hope to have everything back and in place within the next six months. There are other items we think are important that may require some additional funding. One is an alternative street design test project, looking at things like pervious paving materials or other kind of options for making streets more storm water friendly. We're working in partnership with b.e.s. Right now in developing those standards. So that's ongoing. We would like to get some test projects out in the ground to be able to evaluate those. The waiver reevaluation, which we talked about, in three years we need to come back and look at our waiver system and be able to evaluate the effectiveness of that system. We think it's important that we look at doing what we're calling an infrastructure implementation plan, going out and really getting at what it would take to get b.e.s., Pdot, other bureaus working together in figuring out how these pieces will fit together at a local level. I think we've done it -- done a pretty good job at a gross level, now we need to see how to fit these pieces out at a local level. Ultimately that will help in establishing what kind of improvements are necessary out there and coordinating those in an effective and cost efficient manner. Finally, looking at an alternative financing model for private contracting, basically seeing if we can take this l.i.d. Process and maybe get a little bit of privatization into it and allow the contracting community to come in and help us with something that will hopefully reduce cost and still provide a good end product for property owners. So essentially the direction that we're asking you for today, we have three main items, one is to basically endorse our l.i.d. Process recommendation and direct us to go back and implement those recommendations through code changes, whatever other means are necessary. To direct the l.i.d. Administrator to pursue the recommended funding scenario that we outlined, \$2 million a year, and reducing property owner costs by 50%. And to direct the l.i.d. Administrator to pursue the action plan items that are in chapter 7. And with that, I think we can turn the lights back up and what i'd like to do is invite gary blackmer up, he'd like to say a few words, and he's been a tremendous partner in this with us, you know, pdot and b.e.s. Were able to work together very well, but gary has also helped us get this figured out and to -- get us where we are today.

Gary Blackmer, City Auditor: Thank you. Members of council, I don't know that matt talked to you about all the details of the research that had gone on, because there's much more behind his great presentation, but we did look at the history of the l.i.d.s, and the code and charter behind it, and one question we never really answered was how the auditor's office got the role it got in the l.i.d. Process.

It's one of the questions that struck me when I took office about almost two years ago now. So I was a very eager participant in looking at, is there a better way to do this, and what is the proper role of the auditor. And I think what's come out of this is a much more streamlined process. Not only from a citizen perspective, but administratively. We looked at all the steps involved in the l.i.d. Process to figure out what we were trying to achieve and why that step was necessary, and who ought to do it, and so as a result, many of the duties that my office performs will now be done in the office of transportation by the l.i.d. Administrator. So I think that's -- that fits better for me in what I envision for the auditor's office, and we've got some time now given direction from council that we will go forward and implement these changes and it's been a great pleasure to work with matt brown and brent williams, and I look forward to further partnership. So thank you.

Saltzman: Questions for matt, or do you want to hear from members of the steering committee first?

Hales: Get the committee up, and we may have questions for either one.

Saltzman: Okay. Do you have members of the steering committee here? We -- why don't we give you up to five minutes. Certainly you don't have to take the full five minutes. Mark, do you want to start?

Mark Sieber: Sure. Good morning. Thanks for having us. I want to emphasize that i'm here -- i'm mark seiber. I'm here as a private citizen on this committee. Despite that I wear several other hats sometimes coming here. First i'd like to address the process that got us to where we are today. I want to really recommend it. The steering committee he's been a model of collaboration between commissioners, city staff and the community folks. In particular, I really want to recommend the working group model. Originally when we set this up we were talking about having a citizen advisory committee below as it were the steering committee. But instead, matt put together these three working groups around the city, and. Were some distinctive advantages in that the citizens, rather than having one workshop, were able to be involved continually through the process, and therefore were able to evolve ideas and to learn and bring back good feedback. The other piece that worked very well was that matt was in charge of it. Matt was great. He was able to help synthesize all kinds of information, both on the technical and the financial side as well as listening to what the citizens had to say. And I think he's in good part responsible for the success of getting to a pretty good product here. That said, the product of course is incomplete, but I think we're going in the right direction. I particularly would like to say that I endorsed recommendation for local infrastructure planning. I think without having a broad overview of how these different pieces will evolve as they are improved, we're going to end up with little isolated clump that's don't relate to one another, and an up front view of how infrastructure needs to be reviewed, and the conditions throughout the city would really get us to knowing how to move forward in a logical way once we launch the program. I would also like to say that the areas of the report dealing with design flexibility, the maintenance of substandard streets, and looking at alternative street surfaces have been welcomed throughout the community and the folks i've talked to have been very supportive of those. At the moment we have a toehold, but it would be nice to get a more -- to have a foothold that says you guys are committed to doing this stuff. I think it really needs a more thorough examination in the next phase of the process. Finally i'd like to say we really I think have provided here the opportunity for a real strong partnership between pdot and b.e.s. To together design what happens to rights of way and the storm water and transportation that gets shared along those rights of way. So I really support the process. I think it's gone very well and I would really like you guys to continue to let us work. Thanks.

Linda Bauer, Chair, Pleasant Valley Neighborhood Assn. (PVNA): Linda 54. Everybody that I talk to has been absolutely enthusiastic about this process. Something that I thought i'd never see. What I -- when I meant with east Portland consortium, they thought the two most important components were low income deferral and large lot deferral, because east county has a lot of large lots. Thank you very much.

NOVEMBER 1, 2000

Andrew Aebe, Southwest Neighborhoods: I'm Andrew Aebi, chair of the southwest neighborhood working group. I want to commend the efforts of Matt Brown and the final product that was turned out. It was very impressive. I'd also like to commend the involvement of my fellow neighbors who gave up many of their evenings to participate in this process. I learn a lot from my fellow neighbors and I think we really grew together, working together to solve these problems that we have. I am asking the council to endorse the I.I.D. Process recommendations and to move forward with this project. I'd like to offer to you a personal vision that I have arising out of this process. My vision is that in the future when property owners purchase property on unimproved streets, that there will be early disclosure process, one of the recommendations in this proposal, so that property owners would know when they purchase a home what their liability and expectations are as far as improving the infrastructure, so it doesn't catch them by surprise by the time we get to the process where we're initiating an I.I.D. Another vision I have is that the city hall, the city of Portland would initiate and work with citizens to initiate I.I.D.s, that the city would not simply be waiting for citizens to initiate these projects, is that we'd have a comprehensive process for moving I.I.D. Projects forward. Another vision that I have is that the cost would now be certain for property owners. That we would go into a project and property owners would have a good idea of what their financial commitments would be with I.I.D. And street improvement projects. Another change that would occur from what we have now is that the bureau of environmental services and pdot would work closely together to coordinate projects and neighborhoods so we don't come in and do a street improvement project and then later think about doing a storm water drainage project or vice versa, that we can really combine projects and achieve cost efficiencies in that manner. When I initiated my I.I.D. Process in 1993, it quickly became apparent to me the city had no game plan for improving the city infrastructure. The city had well meaning employees who would take calls from citizens, but were put in the frustrating position of not being able to offer them very much when citizens wanted to improve their streets. What we would instead be doing, instead of a block by block approach, we would have comprehensive neighborhood planning so we could work together, citizens collaborating with the city to get these projects done. My vision is we would not take 140 years to bring all of our streets up to standard as our current rate of .4 a mile. What I would recommend to city council is that we think about the optimum funding scenario in which we could complete the 70 miles of dirt and gravel streets. In a city of Portland's caliber we should not have third world streets in a city of Portland charm. We should have an explicit goal of accomplishing the goal of bringing all dirt and gravel streets up to city standards, all 70 miles. Under the optimum funding scenario, we could accomplish this in 12 years. So I'm asking the city council to exhibit the leadership to improve the process and really set a goal for achieving this objective once and for all. Specifically to think about improving 16.2 miles per year to accomplish everything in 30 years, even under the recommended scenario. So why should we plan for local infrastructure? For starters, as a taxpayer, what I don't want to see is the city of Portland spending a quarter million dollars to do design and engineering on I.I.D.s that fail. I think we can spend our tax dollars more wisely than that and bring real positive results to neighborhoods. I also would like to see cost efficiencies. I talked about the partnership between B.E.S. And pdot and the citizens. Economy of scale by coordinating neighborhood improvements instead after block by block approach. Storm water management and watershed quality, offering -- and also budgeting. The city can budget for these improvements but just as importantly property owners with costs certainty can also personally budget for street improvement because they need to do that as well. I do highly support density goals, but I do believe it's very important for us to take the prerequisite step of having an infrastructure plan before we start thinking about high density in our neighborhoods. That is a clear prerequisite to have that in plan before we do the latter. Finally, would I just like to put the whole project in perspective from a financial standpoint. It would take \$167 million to bring all of the dirt and gravel streets up to code. If we're to do it all right now. If we could do that and -- in one year and the city were to -- we could do such a thing,

which we obviously couldn't, but assuming we could, it would be less than 13% of the city budget. Think they -- I think if we were to adopt the recommended funding scenario, we would be talking about 1% of the city budget to achieve a very worthwhile goal of putting in the street infrastructure we need and most importantly bringing a resolution to this problem once and for all. I urge the council to endorse this report and recommendation, to adopt a progress goal that will work within the city budget constraints, and to most importantly complete Portland street infrastructure in a partnership between the city and the neighborhoods. Thank you very much.

Saltzman: Thank you. Before we take public testimony, why don't we see if there are any questions of matt or steering committee members.

Francesconi: I do have questions of matt, but i'd still like to wait until -- to let people testimony.

Saltzman: Okay. Let's start public testimony, then. That will be three minutes each.

Greg Olson: 4306 SW Galeburn, 97219. My name is greg Olson. Thank you for hearing us out and thank you for putting the wheels in motion for starting this process. We have as a community made a commitment, made a decision to not grow out. We need to have an internal focus now. We need a commitment to improve what we currently have. These improvement resist for the greater good of our community and our city, and should not be burdened on just a few people. 27% of our streets aren't working. That is 600 miles. That's why we need a commitment by the city so that this city that works can continue to work. I urge you to take into deep consideration and approving or applying this process that we've been through. It's been a great process to be involved with, and we are looking to fix something that really is not working here in our city. Thank you.

Dave Johnston, co-Chair, Collins View NA: I'm dave johnston, coland use chair for the colinsview neighborhood association. I want to thank you for having matt's study completed and for city council taking an interest in this issue, and I look at it as the broader issue of infrastructure for the city, which benefits us all, not just the question of the l.i.d. Method of paying for it. I became involved in this with the southwest community plan some five years ago. As we looked at rezoning southwest Portland and all of us, I was the neighborhood board chair along with my wife at that time, all of us realized that we couldn't develop to the extent that was proposed without improving the infrastructure and that this was a massive undertaking, and as has been observed by others, there was presently no plans to have -- to how to approach it. I fully support maps -- matt's report. It's excellent. As mark sieber said, it needs to continue to completion, because there are things that yet need to be completed. From my perspective following this for this so five years, in the context of the southwest community plan, i'm focused particularly on our need for infrastructure if we want to grow internally, because without that, we can't have a good city and grow internally. And how the cost for this should be apportioned not just to the citizens, but also to the city government because it's a huge cost, and probably beyond what either the city government can bear to -- directly or the citizens. In connection with this, I put a report from the southwest community plan citizens advisory committee with respect to infrastructure financing into your record that you have probably all heard of before, maybe more times than you care to. This was a -- work we undertook in connection with the southwest community plan, mark sieber and I were on that particular part of the advisory committee, and so he's authored part of the report and i've authored part of it. Essentially we reached the same conclusions that matt did, although we assumed them without the ability to document them to the extent that he's done. And that is that this undertaking is massive. He's indicated the extent of street improvements that are needed, and the amount of streets primarily in southwest Portland, at least the lion's share there, that are substandard. From having seen the neighborhood on the ground, having helped develop the zoning maps, and having looked at some of the maps that matt had during the course of his process, there were times that we wondered if the maps the city had really showed all of the unimproved streets, and from hearing his reports on the cost, realizing he's basing these on flat ground, i'd suggest to you that the costs may exceed what his estimates are if for no other reason than much of southwest Portland is hills and much

of the unimproved streets are in southwest Portland. Having said this, I would fully support and emphasize certain things in his report that we should be looking at especially, and that is the infrastructure planning. We desperately need that, we need it on a local level, and as it develops, it should not only be key as to how we finance the particular infrastructure, but it should also look closely at the ground for each area that we're looking at to ensure the estimates and the assumptions that we have are indeed accurate. We should go on, then, as we develop this, and include this planning together with the city's desire to develop so that we indeed have the infrastructure we need as we develop. And perhaps there's a way of gauging this or staging it in steps so that these two things are coordinated well together. We look at the massive cost.

Saltzman: Are you in the process of wrapping up?

Johnston: I will wrap up very shortly. We look at the massive cost, and as we go forward, i'd suggest that we look not only at the favored methods of financing from the city funds and from property owners, but we also look at some way of paying as you develop. Some communities have used what's called a systems development charge. We have that law on our books. Maybe there are other ways to do it. But as we develop, we need a way of putting money into the infrastructure development to support the development we want. So I do urge us to adopt matt's report and to go on with the further work that's needed to plan what we need for infrastructure well for Portland. So thank you.

Saltzman: Thank you. Terry?

Terry Griffiths, Land Use co-Chair, Woodstock NA: My name is terry griffiths. I live on southeast reedway, i'm cochair of the woodstock neighborhood land use committee. Our land use committee strongly endorses the concepts and -- embodied in this report. Unimproved streets are a problem in our neighborhood. They inhibit circulation, connectivity, and they are often eyesores. Woodstock has only two mowers of streets, segments that are unimproved -- we have over two miles of street segment that's are unimproved to the point of being -- they are so unimproved they're just gravel or dirt roads. Over two miles. And we believe that the proposal for doing local infrastructure planning captures the need our neighborhood has. It would be useful and probably essential to have an overview of how a series of street improvements would function together and in a designated area, whether it was our neighborhood, or our neighborhood and an adjacent neighborhood, but how these are all going to work together for circulation and so on. A significant number of woodstock's unimproved streets are close to woodstock boulevard in an area referred to as the woodstock village center. This village center includes woodstock boulevard between southeast 39th and southeast 52nd and the two blocks to the north and two blocks to the south of woodstock boulevard on either side. So it's perhaps a 25, 24, 25-block area, and many of the unimproved dirt and gravel streets are in that area. Woodstock boulevard is designate add main street in the metro 2040 plan and many respects the village center fits metro's definition after main street. However, the street system that exists within our near the center is inadequate to support the up creased densities and activities that are part of the main street concept. And I -- this is just specifically saying what has been said before, that the infrastructure is not supporting the proposed planning for density. I did a map of the woodstock village center, and I will give this to commissioner Hales, but if you look at woodstock boulevard, the red line going down the center, and then all the orange lines are the local service streets, next to the woodstock village center, all the blue lines are dirt or gravel roads. There are 25 of those dirt or gravel street segments within that village center area there are many more close to it. So that gives you sort of the picture. That's pretty much it. Thank you.

Dorothy Gage, co-Chair, Ashcreek NA: Dorothy gauge, i'm cochair -- i'm chair of ash street neighborhood association. First and foremost, matt brown deserves accolades for an outstanding job in the production of the manuscript being presented today. We participating Portland residents and property owners have worked diligently under matt's stewardship for two years, and he has crafted this proposal for your consideration. And endorsement. As a member of the ash street neighborhood

NOVEMBER 1, 2000

association i'm currently the chair, i've been involved in efforts to repair and upgrade, improve unimproved streets for decades, ever since Multnomah county relinquished responsibility for maintaining substandard streets, there has been virtually no progress in alternative solutions to these problems, short of proposed prohibitive charges for property owners. With the excavations in 1976 to install the sewers, the condition of our streets and others along southwest garden home road have never been the same. The crowns of the road were destroyed and were never replaced to at least that condition. In 1998, a citizens committee staffed by terry bray, which of I was a member, was created to look at these problems. A skinny streets brochure was developed and a resolution was formally adopted, but the problems did not get involved. The -- to paraphrase a current politician, the time has come and we can't wait any longer. This comprehensive document is a tool to put the process in motion, and the time is now. Other facets of this report have been identified and emphasized. My emphasis is flexibility. For the city to accept neighborhood driven street improvements would resolve many frustrations and a great deal of expense. On dead end streets, lesser requirements should be negotiated to the mutual satisfaction of the city and property owners. Flexibility of street design based on specific circumstances should determine the results. Research, paving surfaces to minimize storm water issues. -- encourage street maintenance options. Allow broader private maintenance options, for example, grading, gravel, and emulsion to reduce dust, which is a specific health problem. And accept property owners being responsible for increased maintenance without a permit. An overriding issue which necessity gaits the most ambitious proposal of which this is one, is the inability of city bureaus to communicate to work together toward a common purpose. The bureau of maintenance, b.e.s., And transportation are vital elements to improve Portland's infrastructure. Each of these agencies functions as a separate one. Perhaps the position of an l.i.d. Administrator as the appropriate person to coordinate bureaus. On behalf of ash creek neighborhood association, we commend these recommendations to city council as a process to go forward against what continues to be a blight on the beautiful city of roses. 600 miles of substandard streets. The participants who have helped shape this process will no doubt continue to shepard this document through its subsequent implementation. Thank you.

Dixie Johnston, co-Chair, Collins View NA: Dixie johnston, coland use chair, colinsview neighborhood association. I also want to commend matt brown for his excellent report. I hartley endorse it. The process was very good. I like his emphasis on a local infrastructure plan. I think that is desperately needed. It's good common sense. I like the idea of the different bureaus being coordinated together and dorothy very well explained the problems on that. I like the ideas of public notification, public involvement, and public hearings early and throughout the entire l.i.d. Process. I think that's very important. I like the ideas of design and maintenance flexibility. Different parts of the city have different needs. I like the idea also that we need to look at alternative funding sources. I don't think it's fair for the neighborhoods to do all of the funding or the local citizens to do all the funding. It's not fair for the city to do all of it. I think we also need the development community to help out as well. Something else i've noticed, gill kelly has done a very good job in his work, and in the citywide land use forums, he has mentioned he was very concerned for the lack of infrastructure planning in the city. I frankly think matt brown's l.i.d. Report meshes very well with some of the ideas that we have heard from gil kelly. Gil has mentioned we have indeed met our density goals as far as metro and the state is concerned. However, what we need at this point is good infrastructure planning along with good design. So I think all of these good ideas mesh very well together. This l.i.d. Report I think is a good road map, pun intended, for good planning. I want to thank matt very much for a job very well done. Thank you.

Jerry Wilkins: Jerry wilkins, 2830 southwest texas, part of the famous texas l.i.d. It's now been 6 1/2 years for this process, and I can't begin to tell you how frustrating it has been for many of those years. This proposal that's been presented to you today, really a light at the end of the tunnel as far as i'm

concerned. I'm hoping that you will adopt it. A couple of things. I guess what we're doing, thanks, I really want to thank this council for stepping up to the plate and saying, this thing is broken, we need to see what we can do to fix it. That was not the tone of the council that was here at the time that our l.i.d. Started. And then of course with matt, not only did he listen, but really captured I think the essence of what people were saying. And I can't think of anyone doing a better job than he's done with this. I don't want to beat a dead dog, but just a couple of things that I think are crucial on it. The funding part of it, obviously, things are just way too expensive for homeowners to be shouldering the whole burden. The other part is an -- i'm excited about the bureaus getting together and talking about the infrastructure on a regional basis, or in this case, in ours particularly where we have a watershed issue, and our own treatment program for our storm water, it's bigger than the l.i.d. Issue. It seems to me that the city really, especially in the southwest, it may be true in other parts of the city also, if we don't start looking at this as to what's -- what it's going to take, what -- where are we going to do -- get the land to do these detention ponds once it's all infilled? The other thing is the process itself. I think -- i'm excited with the way that it's looking at least where we can get to council early on and not have to go through all of this, plus just being involved early on in the planning, and having an up front idea of what we can expect. The only thing I disagree with the report on a little bit is the waiver issue and putting it off for three years. I think it is an issue. The issue isn't so much -- I think the process is going to take care of a lot of this, where we're, you know, not giving that much weight to waivers, but the issue is, or what we've experienced is that people come in and get waivers to do things, and then they exacerbate the problems that are already there with run-off and so forth, and the only -- the only alternative we have is to sue the developer, or whomever, as an individual. And I think the city ought to step in and take a little more responsibility of making sure those things don't happen in the first place. Anyway, thank you again. I hope you take this forward.

Francesconi: I liked your button, sir. I can't read of -- all of them, but I think I know what they say.

Wilkins: Three names, if any of those are attached to them, it's a no.

Darren Wiederhold: 14325 SE Alder St., 97233 I'm darien, from alder street. I've been working with matt. I really like his process that he's got. Basically the neighbors, their eyes opened up when I told them there might be a possible 50% funding, and they really -- i've gotten -- there's 13 houses on the street and there's eight people already involved. So i'm just here to endorse it. I think it's a great idea. Thanks for your time.

Elana Emlin: I'm elana, 7104 southwest 26th avenue. First of all, you can sign me up for the matt brown fan club also. He's just done a great job with this. I want to commend you for deciding to years ago to have him do this work when the -- when you scrapped the texas street l.i.d., You said let's look at the whole l.i.d. Process and you got this going. I'm here to remind you about the other thing you said that day, which was, let's look at the whole l.i.d. Process and when we figure it out, let's make texas street a case study. And I still think that there's a lot of value to doing that, and I think it would fit in nicely with the proposal that matt brown has given you today. I think that geographically texas street would be very interesting for you to do, because it's got a very steep hill, but it also has some flat part so you could look at the pervious and impervious surface design types. I also think that it would be good for you to recoup as much as you can out of the engineering cost that's have already been suspended on -- expend order texas street and I think you can probably use a lot of what you've already done to get it going. I think the infrastructure approach, looking at things citywide makes a lot of sense, but that's the macro level, and it could be good to do something at the micro level as you get going. So you have something you can showcase around the rest of the city and say, instead of an abstract way, saying these are the building blocks of how you can do streets, you would fully have an example to show people. When matt was talking about how if the different components of costs for doing an l.i.d. And doing a street, he said, well, you can -- maybe lop off 20, 25% by wiggling around with the design standards. When you're a homeowner and you're looking at something like 17,000

dollars, even 20 or 25% is a really -- it's a big piece of it. So I wouldn't minimize that, and I think the design flexibility is one of the best things that is in this proposal, and I really am excited about the option of having the streets be different and hopefully less expensive, no matter who pays for it. We've got to drive the cost down, and I think we can try it out on Texas Street and then do it in other places in the city. One related part of this is -- one other recommendation is, on the waiver process, I'm not sure how many waivers the city is granting per year, but another approach to dealing with them might be to require developers to set up an escrow account to put in a projected amount, the projected amount the L.I.D. would cost at the time that they do the development, and then when the developer sells the house to the first buyer, the escrow goes with the house and then years from then, whenever the L.I.D. does go into effect, at least the homeowner isn't hit with the whole cost, and the developer is actually paying for it. And it wouldn't be something going through the city, where the city would have to reimburse, would it just be an escrow fund that. Would be a way to get at Jerry Wilkins' concern about the waiver process in general. One other pitch for Texas Street, it's the headwaters of Stevens Creek, they sometimes run under our crawl space, and it's a pretty pristine creek, it's a gem for the city of Portland and to the extent you can protect the water quality by doing something with the storm water, you ought to do it.

Christine Charneski, Parkrose Target Area, Family Works: Good morning. My name is Christine, I work as a coordinator for Target Area in North Parkrose. I participated for several months in the East Portland working group for the L.I.D. Process. I'm really speaking as an outsider who's been working out in the East Portland for a couple of years, and have really -- I've come to learn a lot about issues that people out there have that I haven't been familiar with. That really has a lot to do with the lack of infrastructure. When I began working out in the Parkrose area, I went door-to-door surveying people, asking people about their feelings about the neighborhood and what they'd like changed. On the very top of everyone's list was we'd like sidewalks. There's no connecting network of sidewalks in Parkrose. Mostly the streets are paved, there are some that aren't and they're just treacherously rut and people have come plated -- you can get -- small cars get lost in some of those holes. Particularly the issue of the lack of sidewalks within the neighborhoods is a major concern for the families. Particularly because it's a very dangerous walking environment for children. When you have waived streets with traffic moving through it and some of the neighborhoods have the excessive cut-through, speeding traffic we're all familiar with, you've got children that are playing, they don't have any free space that's dedicated for them. You've got cars randomly parked and there's no area where children are going to be except for predictably out in the street. So having sidewalks throughout neighborhoods would be an incredible help for the families to be able to know there's some kind of barrier for their children between the moving traffic and the neighborhood and their houses. The other thing I learned when I began talking with a lot of residents out in Parkrose and East County, East Portland in general, there's an incredible level of frustration with the city of Portland, and this probably isn't news to you. The process of the annexation is still very much on people's minds. The sewer project, getting that put in and feeling forced upon them and carrying the burden of that, it's still very much on their minds. And so there's a very high level of frustration when you begin to talk about street improvement and carrying a burden of cost for that. They pretty much go out of their minds. What I really learn second degree there is a high feeling of alienation in East Portland from feeling like they belong to the city of Portland in that -- and that the city of Portland government actually cares about them. As one other person mentioned, the lack of paved streets raises clouds of dust, and I've had residents say their health is -- has deteriorated. There's a primary walking route along Prescott Street. Prescott is a connector street, it has a high volume of traffic, buses, and the children as they walk along Prescott encounter the same things as throughout the neighborhood. They have cars, bargain -- garbage cans, overgrown bushes that are intruding into the walkway paths. There's huge puddles in the rainy season, they have to navigate around them, and they're forced out in the street of

NOVEMBER 1, 2000

prescott, which I would invite you to come out and watch some day as the children are walking home from school. It's a terrifying sight, and as I understand it, the parkrose school district has also identified this as a critical issue. One of the major priorities of the parkrose target area is to improve prescott, particularly, and one of the feelings is because as other people say, this is a community benefit, not something that the homeowners along that route should be forced to bear. I'm going to talk fast. I know it's tedious, i'm also on the matt brown fan wagon. The -- bandwagon. The process that was used and the product that came out of this, the way that people's views and information were included was exceptional. I really think the city should be commended for taking this initiative and also should be very proud of the representation that you've sent out into east Portland, and I think you've created some sense that there is buy-in from the city. I think by adopting this recommendation with all of the elements people have talked about, you will be communicating to the citizens of east Portland that you actually are aware of some of the issues that are a primary concern to them and that you actually do care.

Saltzman: Thank you very much. That's it. Okay. Anybody else wish to testify? Okay. Matt, why don't you come back up here and this time we'll see if council members have any questions of -- council members have any questions of matt. Commissioner Francesconi?

Francesconi: Matt, you know, you've heard the testimony -- we've heard about -- the testimony about you, and also there's people that have said bonnie mcnight, this is the best process two years. My first question is, are you going to be as good a father as obviously you are an l.i.d. Administrator?

Brown: I'll try. I think it may be more challenging.

Francesconi: This is a difficult issue to handle. Okay. Several -- I have several questions. Can you elaborate a little more about how streets, neighborhood streets, the alternate sources of funding for neighborhood streets? Because there is this perception that homeowners have dealt -- done it. So other than tax increment districts, what else has done it?

Brown: Well, other than tax increment districts? I would just mention one tax increment district, which is lents, which is not your typical urban renewal district in terms of what we've done in the city before. So it's more of a neighborhood-based kind of thing versus the river district kind of area. That is helping the -- to fund streets there. Housing and community development has funded streets in a number of different target areas around town. Usually around typically the program works at a 70% level. In the past they've been funded to 80% of the some of the property owners receive 100% of the funding. Like I mentioned, you know, even for the areas that weren't targeted before, we were provided funds as much as, say, 30% in the 90s, and actually when I ran across some old reports, it's sort of scary because you go every ten or 15 years and you see that the city's report for improving the l.i.d. Process -- i'm hoping that we don't have to come back another ten years and do this again. But until '77 there was talk of increasing the subs can I center 35% to 50%. So even at that point we were subsidizing 35% down through history we didn't charge engineering and administration, so it's not just even funding sources, sometimes it was how much we were charging through on projects, and I think in 1924, we didn't charge any overhead project through on projects at all. So no design, no engineering, no administration. And that in effect became part of the city's agreeing to those streets being funded. But the primary sources have been housing community development, urban renewal districts, gas tax funding.

Francesconi: Now, terry griffith gave us a map of woodstock showing the unpaved roads. It's my understanding we actually don't have a map showing where the unpaved streets are in the city. Is that right?

Brown: We don't have an accurate map. We have an accurate database. So we don't have a good graphic representation of it, but our folks in our gis section are get -- working on getting those linked up.

Francesconi: When will we have that?

NOVEMBER 1, 2000

Brown: I think -- the ims project is working on that, and I think we're look the at within the next two years. But it's -- again, we have a database. I can tell you the exact condition of every street in the city. It doesn't correspond to our gis system to allow us to graphically represent that very well right now.

Saltzman: You can give us an inventory of all --

Brown: I could give you a very precise inventory.

Saltzman: You can't display it graphically.

Brown: Correct.

Francesconi: First of all, one of the things, the local infrastructure plan, or development plan, is that funded? Do you have money to develop that now? Or is that money that you need?

*******:** That is money that would be needed.

Francesconi: How much do you need for that?

Brown: We're talking about just to do some scoping work, about \$30,000, figuring out what the process should be. Sort of depends on whether we want to approach it citywide or whether we want to sort of go more neighborhood by neighborhood in terms of how much would be needed. But we need - - we also need to get into a lot -- a little bit of -- b.e.s. Has a process, for instance, in southwest, they're going to be doing integrated water shed management plan, so it's a matter of figuring out where pdot, where water, where the other bureaus can plug into that and get an integrated approach. So b.e.s.'s portion is funded right now, it's a matter getting the other partners there on board to do that.

Francesconi: It's critical, I think, to me, and perhaps to others that this happened. It surprising to me this hasn't happened already. In this process, would a local community also be able to prioritize between -- would it be paving the street, would it be maintaining the substandard street, would it be speed bumps, would it be -- there -- will there be a process by which the community can prioritize that, and how would that work?

Brown: Yes. I do believe that needs to be part of it. That's -- the implementation part of doing that kind of plan. So to begin to look at, you know, what kind of street improvements are required, where are the sidewalks needed, what kind of storm water improvement resist going to be needed and where? Where, when you do an improved streets, where might you need traffic calming to be integrated into the system, or how to do that? All that comes along. I think what we've laid out in the report is at least a beginning senses of how you might begin thinking about prioritizing projects, then, so involving the community and look at -- looking at things like -- one of the important factors is going to be where is our support for doing something. That will be a big factor in terms of getting streets done. But also where are we providing needed safety improvements, where are the key storm water issues that need to be addressed where we have flooding or severe water quality issues. Where are we providing a higher level of access to parks or schools, or transit, or what have you. How cost effective our -- the improvements. All those things, the community begins to help us prioritize what streets we do first, where the improvements are needed first, we can start to build from there.

Francesconi: How would we prioritize, assuming some limited funding, between different than lands, from different parts --

Brown: Different parts of the city?

Francesconi: Right.

Brown: We're going to have to again look at a few different issues. I know -- for instance, on the storm water side, I think we know pretty clearly we have some important things we need to accomplish. The combined sewer overflow program, I think if anything that maybe that would affect or work into helping with that program may rise up and priority, or supporting esa and some factors there. That may rise up. From a transportation standpoint, we may want to look at supporting, for instance, the 2040 plan, or look at areas that have, you know, the safety deficiencies that we think may really help. So we're going to have to go through looking at factors like that. That's our next step as

we develop this program a little bit more, to really define what those prioritization factors are and to really get down to that level so we can give -- I think the certainty needs to be given out to the neighborhoods, sort of when and where those things are going to happen.

Francesconi: I have heard Gil Kelly speak on this subject as well. Part of the reason we did this planning restructuring is to help ply or tie it, to bring these together. What -- in your process you're creating, what's the role of planning, long-range planning in that process?

Brown: I think they can be very helpful as coordinators in terms of making sure that everyone's really working on the same page. Obviously pdot and b.e.s. Are going to have the greatest technical expertise in what's required, but I think we want to make sure as a city as a whole that we're coordinated, you know, with everything that's going on. So we are understanding where hcd may be working and how our planning may fit into what they're thinking about. I think that seems to be a pretty good mesh right there, and I think where they can really help us with what we're doing.

Francesconi: On the issue of the flexibility in terms of standards, I mean, the fact that you -- as you powerfully demonstrated, the costs have more than doubled because we keep putting more requirements that are good requirements, but then we have no way of funding it. Now, I take it when we're talking flexibility of standards, we may be talking about other community benefits like not having street trees or perhaps not having sidewalks, which are nice important things to have. Am I right? There might be that kind of discussion? If so, how -- when, where does that happen, how does that happen?

Brown: Yeah.

Francesconi: How are those decisions made?

Brown: The cost, don't minimize the --

Francesconi: 25% to a homeowner --

Brown: That's a lot. I don't think our intent is to try to minimize that. I think our intent is to really ask first what does this community, what are the -- do the property owners want. Cost aside, what do they want? If they say like Christine said, we want sidewalks. Great. You want sidewalks this, is the -- is what the project is going to be. How do we pay for it? Maybe that's where our funding comes in. As Dorothy Gates pointed out, maybe we have a lot of dead end streets, things like that, they're already heavily wooded, we need the flexibility to go into those streets and ask ourselves, how much benefit does the community, do the property owners really receive from having sidewalks on this street from having street trees when you already have a mature canopy right next to it? How much benefit are we receiving from those, and perhaps we should look at this street in a little different light. I think it's really a project by project basis to be able to go in there, evaluate that, to involve not just the property owners but the neighborhood into those decisions. That's part of the pre-l.i.d. process. We need to engage them in that process.

Francesconi: On the maintenance of substandard streets, one option would be the city taking that over, which would be enormously expensive. I understand there's more than 180 miles of substandard streets. Another option is private contractors. Is there anything on the permitting side or other kinds of flexibility we can give? Because we've got -- we've kind of put homeowners in a box.

Brown: Right. One of the key things, it's in a couple pieces of the written testimony that are in front of you, can't the city take a more active role in helping us as property owners sort of almost form an l.i.d. For maintenance, and to get things going so we can take care of our streets. That was an area that we looked into and very quickly -- measure 5 took away our ability to do l.i.d.s for anything related to maintenance work. So we're -- it's illegal for us to pursue that. So we're sort of left --

Saltzman: Measure 5?

Brown: Yes.

Saltzman: That was in measure 5?

Brown: That was in measure 5. We can't shift maintenance work to l.i.d.s. So the -- what we're left with is trying to get the property owners to a place where they can do that work in an efficient way on

their own without a whole lot of interference from us. I think rather than doing permits, we thought maybe just relaxing a little bit, giving them criteria to meet and letting them meet without our interference and involvement. If we're going to put that responsibility on them, we're -- we need to let them do the work.

Francesconi: That's the flexibility we need to have. One last question. It came up in the testimony. A witness mentioned it, but I didn't see it in your remarks. The issue of low-income deferrals, could you talk about that?

Brown: Yes. If we get to a point -- they are going to require funding. So we're going to have to talk about that. Even if we don't do the \$2 million a year, it's something at a minimum we need to implement as part of this. It will require some funding assistance in some way to get that going. The idea, though, is that we can begin to seed a deferral fund to assist with low-income property owners, and the idea there is that we don't just pay their assessment off and let the property sort of walk. We allow them to defer, we will pick up nearly all or a portion of the interest rate on their deferral, depending on their income level, and at some point when the property turns over, we're able to collect the assessment for that property. So we think that's a very important part of it. Certainly with the funding, you know, I don't want people to look at that \$2 million and say it's all going to go to buying down project costs. We think an important thing to do right off the top of that 2 million is to say what can we do with this money from a financing standpoint that will assist with low-income or large lot deferral kind of programs, things like that. So that will be an important part of our program, I believe.

Francesconi: Thank you.

Saltzman: I want to follow up on one question about how do we get the costs down, and I want to make sure I understood. One of the recommendations assist to explore the role of privatization. Is right now f. An l.i.d. Is done, does the city do the actual improvements?

Brown: Yes. And for a --

Saltzman: We're talking about making this more after competitive process?

Brown: I misunderstood you. No. We do go out to the low bid process. The city managers the construction and we form the bid package, put it out, it comes in low bid, and we manage the construction and the contractor.

Saltzman: What was the role of privatization?

Brown: The role we're looking at there is to ask whether or not we could allow contractors essentially to sort of compete in terms of forming l.i.d.s. Actually going out -- if we look at it, 600 miles, that's a pretty big market. So perhaps there's interest on the contracting community's part to go out to pursue projects, maybe help put them together, secure their own project financing, basically if they're just going through a permit process they're not saddled with everything else, perhaps they can deliver that project for a better price than we're able to. Right now with the mix of money coming in, public money, even if it's just financing out of our l.i.d. Construction fund, because it's public money, we're obligated to take that through our normal sort of purchasing process. I just had one question. That is, finding out whether we have the authority to require full disclosure of waivers through the real estate documents. I assume if the answer is no, we're going to have to go to Salem and seek that approval, so I hope that will be something that comes up for discussion, or we have that resolved by the time we finalize our legislative agenda in the next several weeks. I hoped to have that answer by today, but I don't have it. At the very least we should get that in there.

Saltzman: I'm fully supportive of exploring alternative street designs, pervious pavements, use of swales, and I guess in looking at your cost presentations about how much each one of these proposals cost, I think we also have to think about when we use swales, how much infrastructure cost is that saving the city in terms of not having to build storm water pipes, conveyance systems and extra treatment capacity too, and somehow we need to factor that cost savings into that equation too and

NOVEMBER 1, 2000

hopefully tilt the scale more towards us doing those creative and more friendly for water quality point of view type of designs.

Brown: Correct.

Saltzman: Well, I guess we're at the point now of taking the vote on the resolution to accept the report, and implement the recommendations. Please call the roll.

Francesconi: This whole discussion has been very, very refreshing for me. I'm not sure -- the council cares a lot about neighborhood infrastructure, as we demonstrated with the rents urban renewal prior to me coming, the urban renewal on mlk, and the interstate urban renewal. But I don't think we spent enough time talking about neighborhood infrastructure and how to develop it. And how to bring it. And I think there's three fundamental concerns our citizens have. One is they pay a lot of taxes and fees, sometimes they're not sure what they get in return, and some of -- in some of the neighborhoods. They feel as if they're forced to take housing to meet density goals and they don't see some of the infrastructure and streets, roads, parks, to come with that. And then there's a perception that we spend a lot of time and money on the central city and are we doing the same in the neighborhoods. So it's important for us to address the issues that you've raised here and we're lucky that it's you that's out there doing this, as i've said before. So I think this is all important to do. I think this process is a lot healthier. When you first heard these l.i.d.s, I couldn't -- at first I didn't understand it. Once I understand it I have -- had trouble believing that was the process. Having you do this and bringing certainty to these bills so you can't raise the price afterwards, having a single point of contact and involving citizens and -- in what the neighborhood transportation infrastructure should look like and trying to coordinate it with the bureaus, makes common sense. We should have been doing those things long before. On the question of -- so I support all that. On the question of does the city need to put some funding into this, will the answer is yes. Before I can give you an amount, as you've requested, I have to know where the money is coming from. Maybe it's a quirk i've got, but it's something about budgeting practice, and so before I can commit to any money specifically, I have to know the funding source and the options as to what we don't fund. Having said that, funding streets in our neighborhoods is critical to us from -- for us. One of the speakers said that in third world cities we may -- they may not have streets. I think many streets in third world countries are paved, actually. And so for all the reasons that we're testified that you put in your slide, the urban growth boundary, sidewalk, trees, beautify neighborhoods, the issue of the health of the neighborhoods, and safety as testified in parkrose, I know prescott well. I know that school. I've been there in fact with the -- with the witness. The issue of health and -- of our streams, et cetera, and it's just the fair thing to do. So we need to put some money into it. So I just -- i'm prepared to do that. But I can't commit to an amount at this precise moment. So thank you for all you've done. I'm looking forward to working with you. In lents they are paved -- paving about four to five miles of streets through that urban renewal process. Wherever there is urban renewal funding, we should encourage that to happen. And so I wanted to say that. We have to look for alternative ideas. The idea of the escrow account that was just thrown out here, I don't know if that's been evaluated, but it should be. Because taxpayer dollars to subsidize this also means the citizens are paying for it. So we have to figure out how we're going to do this? A cost effective way. But I look forward to working with you on this. Aye.

Hales: First I want to thank the council for time and attention to this issue here today. Particularly thank you, dan, and gary, our auditor and our staff that worked on this project with us, matt, thank you for good work, brent williams, linda, dave, excellent staff work on this project. As we heard, we had a lot of time and effort put into this by citizens both the people on the steering committee and in the working groups. I think it has been one of the best collaborations i've seen where we had members of the city council and the auditor and staff and citizens just roll up their sleeves and go to work on a problem. And the result is not only a good product, but people having a real sense of ownership of that and a commitment to getting it done. So thank you all for really good work. And I think this

NOVEMBER 1, 2000

discussion here today really highlights frankly why those other reports sat on the shelf and the challenge to us. First of all, andrew's challenge is one that I find hard to have any excuse for not meeting. 140 years is too long to wait to have a paved street in a city. It's just an unacceptable time line for any urban civilized place if we claim to be that. Secondly, the costs are very high, and it -- to ask people on texas street or any other to bear the whole lot is inappropriate. That's the real challenge to us, because that's where the -- why the ball is in our court now, and to ask, you know, whether the folks on this street -- she did a great job with this graphic, I think -- hope we do have this citywide, but we're going to be appalled when we see it. What we'll see is all the way around the edge of the city, in areas we annexed over the last 50 years, we've got this patchwork of streets. But with as a city have a double standard. We have annexed all over the city areas that had inadequate water service. The sylvan water district. We didn't ask the people there, the former sylvan water district to form an l.i.d. To replace it out -- all the pipes. We annexed 65,000 household was cesspools in east Portland and we asked them to pay part of the cost. But not all of them. We annexed hayden island. They need add fire station. We wrote a check. Out of the general fund to pay for it. They needed a police precinct in northeast Portland and we used general fund bonds to pay for that. We have a double standard. In every other case, fire, parks, police, water, and sewer, we pay substantially or all of the cost out of general revenues. And in streets, up until now, we've asked the residents to pay the whole cost of rectifying the deficiency, because in all those other case there's was deficient infrastructure. So there are example after example of where we've gone into these areas with general revenues. I'm not saying necessarily general fund revenues, because it was the water fund or the sewer fund or other general revenues. And added back the deficient infrastructure. In streets alone, have we -- streets and storm sewers, because these two go together, as the staffs have worked together, but in every other case, we've used general community dollars to at least alleviate the cost of fixing the defect, the fact the county allowed people to build houses on pay -- or in neighborhoods without parks or on cesspools. We went back and fixed those problems with community revenues in every other case, and we're not going to fix this problem, and this report will it is on a -- sit on a shelf and we'll repeat this committee unless this council steps up and figures out a way to create a general revenue source that solves this problem in less than 140 years. So i'm looking forward to that challenge. It's a tough problem. I think we've got to solve it and the work these folks have done have called that question. That's -- you've done good work. You've cued us up for an important but difficult position. Thank you all for great work. Aye.

Saltzman: I also want to thank commissioner Hales and the auditor, gary blackmer and matt brown and all the members of the committee for good work. I sort of came on board as this committee was formed ask it was really the previous city council that voted to actually do this. And I think this will be a product that will not just it is on -- sit on the shelves and it will in large part rely on us to do that, but I think allowing design flexibility, environmental -- friendly design flexibility, looking at a very creative role for privatization to play to get this done sooner than 140 years. Just thinking back to a couple years ago, stepping up to the plate for airport max, part of the reason beck tell stepped up, they're looking for work opportunities, and this was a creative fix. We can't quite present the same development opportunities that we can with an airport max, but I can't help but think a lot of these big firms might be interested in sort of a package proposal in getting it done in a certain amount of time. I do think that to the extent we can be smart about planning where we do -- try to do our l.i.d. Priorities, and overlay that with our cso obligations, our endangered species act designations, to the extent we can get those funding streams to the extent there are money in those streams to be coalesced around street improvement and storm water improvement, I think that's going to be a plus too. It's a good report and I think it provides a real avenue to get this done finally. Aye.

Sten: I'm willing to serve as the president of the matt brown fan club if asked. I think you've done a terrific job. In some ways this is a pretty straightforward report, and the recommendations are not that

NOVEMBER 1, 2000

new. Let's talk to people, let's plan ahead, wallets give them a fixed price, let's do our share of the funding, and do it in a way that's at least reasonably rational. That's light years ahead of the hearings we had last year in the year before trying to sort all this stuff out. I think you've done a service, as have commissioner Hales and commissioner Saltzman, as well as others. This is a clear path, we have to go through the pj process, but as I understand it, I think transportation and b.e.s. Have made pretty clear statements to me that getting the million dollars into each of their budgets from their funds is a high priority, so i'm very supportive of them doing that and making that presentation to us as the budget comes back, and I suspect that will happen, but we do have to go through the process. So I -- I think there's still some work to do on standards and how do you -- I think the questions of storm water and what's the best environmental design remain to be figured this out, but without this kind of process we couldn't figure out any of it. So I think those are next steps to trying to figure all this out, and i'm very excited to move on those pieces. I guess I would -- only in Portland would we have a two-hour hearing on local improvement districts where everyone agrees. It's amazing. I think that's really inspiring in a lot of ways. I'm real happy to be here. I guess i'd end with, i'm interested in this, in what's -- i'd end with a friendly challenge, I think we have to find some way to get some chunk of this funded and I think now this council has to make a commitment to the neighborhoods that if you come with the amount of votes you need for an l.i.d., We're going to pass them. Because I think we're never going to get l.i.d.s as great as this sound that's have 100% approval on any street. I think the citizens that have worked hard, there was some reasons they fell through, because to the people who were against the l.i.d.s, some of the information wasn't clear, and some of the past history wasn't clear, but I think it's clear now and I think if you come with l.i.d.s that have -- that meet the threshold, the council has to step forward and say we're going to do these. I think it sounds like we're on that path. Good work. I'm glad to vote aye.

Saltzman: Now it's on to our regular agenda.

Items 1600 and 1601.

Karen Kramer, Facilities Manager, Bureau of General Services (BGS): Good morning. Facilities manager, bgs.

Bob Kieta, BGS: Bob, operations manager.

Kramer: We're here to briefly discuss items number 1600 and 1601. These are actually a step an pore step for us in the adoption of innovative practices to meet our increasingly complex requirements in our buildings. These two specifically deal with keeping our buildings clean and keeping them secure. By adopting these two ordinances, you will be acting officially as the public contracting board for the city of Portland and in that capacity you have the authority and responsibility to approve the use of innovative procedures for an alternative procedures for securing contracts.

Kieta: Good morning. Use of the rfp process is the next step in the continued improvement of the city service contracting practices. The process allows for implementation and evaluation of the city's fair wage ordinances, improved quality of services, and performance-based contracting. After adoption, we will develop specifications which include a process to full I evaluate contract's benefits and -- benefits -- fair wage and benefits programs, performance standards and quality assurance. The rfp process is a public procurement process and with your approval will be used to select up to seven contractors who will hopefully be very responsible and qualified contractors. We'll be back to you for your approval of the financial contracts. And thank you for your consideration. We're available for any questions.

*******:** One thing I might add, this is actually part of a strategy that we've been following for about four years to use this type of contracting, and it started four years ago when we hired Multnomah county to actually conduct this contracting for us. And they had already adopted this procedure. So it's actually a great day for us to bring it back into the city. Of course I think as you know, bob, we

took from the county to help us do this, I -- so I hope you'll vote aye on these and we'll proceed. Questions?

Saltzman: Great. Call the roll.

Francesconi: If I could adjust a couple things. This is to help implement our fair wage policy. So when I had bgs, this is the strategy to do that. So I wanted to link this back, because the whole council has been really committed to that. And so it allows us to reward the contractors who agreed to do it, essentially, and so that's why both this ordinance, 1600 and 1601, is very important. It's also important for one other reason. This will mean that we can probably keep martin, our security guard. Which we all want to do. Aye. Thank you, karen, for your work, and thank you, bob. It's been terrific working with you. Aye.

Hales: I'm happy to support these, but I have a couple of specific suggestions for ingredients in these contracts. So i'd like to meet with you separately and talk about those before you go out with the rfp. So i've got a couple sort of unconventional ingredients I want to talk with you about. So we'll have some fun with it. But it's a good idea. Thank you. Aye.

Saltzman: I just want to say in general i'm a big proponent of moving to rfp qualifications-based selection process over the traditional competitive bidding. In a lot of the arenas, particularly this one, it allows us to further our commitment to living wages and to keep martin. But I -- this is something I think we should can moving into in many more arenas. It allows us as a council many more discretion over who we choose to do business with and why. Aye.

Sten: Sounds good. Good work. Aye.

Item 1602.

Francesconi: I -- this should have been on the consent. This is terrific. Instead of parks doing all the work we're trying to -- parks is becoming more of a broker. Not an after-school program. We've contracted with boys and girls club, and they're doing this at the st. Johns community center, and it's been very successful. Aye.

Item 1603.

Saltzman: This probably should have been on consent too. I'll just take the opportunity to say we're getting flat screen monitors because we're getting new phone systems and with new enhanced 9-1-1 responsibilities for gee graphic information systems now, our dispatchers have up to five terminals at their desk and you can certainly imagine the space savings that comes with a flat screen monitor versus the more conventional some two to three-feet deep monitors. And they're also more energy efficient and more operator friendly in terms of reduced glare and brightness.

Britta Olson, Council Clerk: That goes to second reading. The last two were on regular because they changed the budget.

Item 1604.

Sten: This is -- this is good news. We get to keep moving forward on the brownfields program, which is really picking up steam thanks to the work from commissioner Hales and mayor Katz.

Item 1605.

Sten: We're getting much better at doing this float idea which actually doesn't cost the city anything. We are not allowed to draw down our funds from hud until we actually expend them, which literally in housing projects can be several years. So what hud allows us to do on community purposes is lend the money to groups that would qualify for block grant funding to do community projects, and by doing that they get a lower rate of interest. We estimate the savings on this one to be about \$40,000 on a revitalization project on king boulevard, and there's no risk to the city because the groups have to come to us with an on demand guarantee from a private lender. So in this case u.s. Bank is taking the risk on the loan but we're making it a lower interest rate. So I wanted to share that and also I wanted to put this one on the regular agenda and disclose there's not a legal conflicted of interest but my wife works

NOVEMBER 1, 2000

half-time at this nonprofit and we don't stand to gain from this, but I think it's better to point those things out.

Saltzman: Okay. We stand adjourned until 2 o'clock.

At 11:32 a.m., Council recessed.

NOVEMBER 1, 2000

NOVEMBER 1, 2000

2:00 PM

[roll call]

Kathryn Beaumont, Senior Deputy City Attorney: Members of the council, the ordinance before you completes one tiny piece of the environmental zoning map correction process that was begun several years ago at the request of Logan Ramsey, this piece was held out because of discussions and negotiations were underway between Logan, the city, and Metro concerning property that the Ramseys owned up near Skyline. The negotiations have been completed. They've resulted in a settlement, purchase and sale of some property, and we would like to move forward with completing this last piece of the project as an element of the settlement. Senior deputy city attorney participated in the -- in a lot of those discussions on behalf of the Parks Bureau. He is here. He can answer any specific questions you have. If you have none, my recommendation would be simply to go forward with the ordinance.

Saltzman: Okay. Do we take testimony?

Beaumont: If there's anyone to be heard, yes.

Saltzman: Does anyone have any questions of Harry? Oh, there he is. If not, is there anybody here who wishes to testify? I'll give you three minutes.

Arnold Rochlin, Forest Park NA: I'm testifying in favor of this, but I should call your attention -- Arnold Brockman. For the record I think you should note that the name of this is somewhat misleading. It should be called the Ramsey and Brockman property.

Saltzman: Okay.

Rochlin: Because my property is about 85%. [no audio] that's fine with me.

Saltzman: Okay.

Rochlin: This is a good move. It's good for everybody. As you know from probably from many of the appeals you've heard, EC zone is subject to a lot of controversy, whether you can do this here or that there. With this proposal, you can move a lot of land relatively from EC to EP, and then take a certain amount of land that's been designated by Mr. Ramsey and take it out of EC, out of environmental protection, environmental overlay entirely, so that he gets the benefit of being able to develop more easily without going through as many hoops, more predictably, he knows what the outcome will be. The public gets the benefit of a lot more sensitive land being really protected. On top of it, although you -- I don't think you can let this influence your judgment too much, if you haven't already decided, we have -- we stand to gain the major bonus of about two-thirds of the Ramsey property being bought by Metro and turned over to the city for Forest Park. But that -- we can't rely on that. But just -- leaving that out on its merits alone, it's worth it. Just one other thing. I'd like to call this to your attention because I know if this body orders staff to look into it, it will be taken care of. The map that was distributed, and I understand all the city maps, show some private property as being owned by the city. If you have the drawing of this proposal, you can see on this -- along the south side of the property near Skyline, there's a long narrow strip, and at the top it says OS, and there's some print that says "Forest Park NRMPP," natural resources management plan. That strip is private property, not mine. Owned by the Gross and Barber family. And these maps should be corrected so they don't have to move out. Thank you.

Saltzman: Okay. We will --.

Hales: Just that strip?

Rochlin: That's the only one I know of. I don't know about the square that says OSC on it. I have no knowledge of that one. About it I know the narrow strip, it's about five acres --

Hales: I'm informed by staff that they have begun a map correction process on that.

Rochlin: Okay. Thank you.

NOVEMBER 1, 2000

Saltzman: So we don't even have to order it. It will happen. Well, thank you. And any further testimony? Okay. Let's move ahead with the ramsey and brockman compromise.

Francesconi: This is -- should be bells and whistles going off. Thank you so much for all the work you did in making this thing happen. This is a really important thing for forest park and for the whole area, and we appreciate the work you've done to make this happen. Aye.

Hales: How far along are we in the hundred years war? Aye.

Saltzman: This is truly good news. I'm pleased to support this. Aye.

Sten: A pleasure to see somebody supporting an ep zone on their property. Aye.

Item 1606.

Saltzman: I just want to state that I was not present during the original hearing, but I have reviewed the testimony and I have been briefed by my staff, so I will participate today in the proceeding. With that i'd like to call ellen wax up here to tell us where we are in this appeal and what's happened since the last hearing. I believe it was late august.

Ellen Wax, Office of Planning and Development Review (OPDR): Yes. August 30th. Can you hear me now?

Saltzman: You might want to move a little closer to the microphone.

Wax: There. Good afternoon, ellen wax with office of planning and development review. On august 30th, city council held an appeal hearing on a hearings officer's decision to change -- that would change from r5 to cn2 on property located on 39th avenue southeast and just south of hawthorne boulevard. The decision included conditions requiring that the development on the site be limited to residential of 45 units or less, and that the development on the site may not occur until proof a restricted covenant has been placed with the county deed records alerting any potential buyer or property owner that the property was subject to a land use decision. The change -- it changed the zone but limited the use of the site to 45 units of residential development, and commercial uses are specifically prohibited. The hearings officer's decision was appealed by three individual neighbors. The basis of the appeal was that the zone change proposal does not meet the approval criteria for -- related to transportation needs and traffic impact. At the council hearing a primary focus of discussion was on the proposed multidwelling residential development and design. The applicant agreed to meet with the richmond neighborhood association and the neighbors in the appeal to discuss and work on the design of the development project. Council established four ground rules for the discussion, which are as follows. That building height would not be an issue in the discussion. The proposal would meet the building height of the base zone. That density would not be an issue in the discussion. That parking would not be an issue, and that the development proposal would rely on the cn2 zone parking standards of the zoning code, and lastly, that the discussions would be with the neighborhood association as a whole, and not with the individual neighbors. Council continued the hearing to allow time for the applicant and neighborhood association to meet and work upon agreed-upon design for the development. On october 9th, the neighborhood association voted to support the neighborhood proposal with a specific design and development. They also indicated support of certified adjustments that would be required, and through -- the adjustments would be required in another review, a land use review, just focusing on those adjustments, that would be outside of this zone change request. Staff understands that the neighborhood association and the applicant have drafted a memorandum of understanding that outlines the agreed-upon design elements. And the possible adjustments. And that they would be bringing that to this hearing today. In addition, the applicant's representative has prepared council draft findings have -- that have been reviewed by the city attorney and opdr staff. If council is inclined to denial the appeal, the findings could be adopted at this hearing. The council options are to grant the neighborhood appeal, to deny the neighborhood appeal or neighbors' appeal, excuse me, to grant the neighbors' appeal, deny the appeal, and uphold the hearings officer's decision as expressed in the original findings and decision, or to deny the appeal and uphold the hearings

NOVEMBER 1, 2000

officer's decision and adopt the findings prepared by mr. Winterod, which slightly modify the hearings officer's findings and decision.

Saltzman: Thank you. At this point I would like to reopen the record from -- for the purpose of hearing from the applicants and others about the proposed compromise and settlement agreement. I propose the applicant and supporters of the applicants would have ten minutes and then the appellants would have ten minutes as well. Why don't we start with the applicant.

Greg Winterowd, representing the applicant: Good afternoon, my name is greg winterod, with me today is everett smith, who is the developer, who as you recall last time sat in the back and this time is up here to meet you face-to-face. Perhaps mr. Smith could give your name and address.

Everett Smith, applicant: Good afternoon. I'm everett smith, I reside at 9320 southwest jamison court in beaverton.

Saltzman: I want to ask you mr. Winterod, to monitor your time.

Winterowd: I think we'll probably get through in five minutes. First thing i'd like to address is what I remember the purpose of this hearing was, which was solely to go back and work with the neighborhood on design issues and the -- as I recall, it was not continued to address other issues related to the specific criteria for approval. The second thing is i'd like to talk about the process. In the letter to ellen wax that you have before you, basically it goes through the meetings that we had both with the immediate neighbors with the land use committee for the neighborhood association, and with the richmond neighborhood association board itself. I was disappointed that we could not reach agreement with the immediate neighbors. There was a good faith effort on their part to do that, and our -- on our part to do that, and that was unsuccessful. We were able to reach agreement with the neighborhood association. They recommended a number of conditions. We have agreed to those conditions, and those conditions have been memorialized in a formal agreement signed by the neighborhood association and by the applicants. I think that i'll ask that doug clots, the neighborhood association representative, present that agreement to you. But that agreement has been reached. The focus of the discussion was on design, as requested by the council, and the results of that discussion were basically that the design presented to the neighborhood association in fact be built as proposed. There is concern from the neighborhood association that that's a pretty picture you've shown us, but we want to make sure you're actually going to build it. So most of the conditions focus on that. There's also a condition that related to the construction of a barrier at the back of the property on the east end as a buffer with -- from the immediate neighbors. I think at this point what I would suggest is that rather than going further, we'll be happy to answer any questions, if you have questions about the design of the building, everett will be happy to answer those. If you have questions about the process, i'll be happy to answer those questions.

Saltzman: Would you want to have mr. Clots come up now and talk about the agreement?

Winterowd: Would he be part of our presentation?

Hales: He gets his own time.

Saltzman: I mean it might be a good idea to bring him up while you're here, because we might have questions for both. If you don't mind being flexible --

Winterowd: That's fine.

Saltzman: Come up, doug, and introduce yourself for the record.

Doug Klotz, Richmond NA: Douglas clots, chair of the land use committee, the richmond neighborhood association and board member.

Saltzman: Do we have questions of these two?

Hales: Maybe you could go briefly either greg or doug, one of you go through the specifics or you, sir -- i'm sorry, I don't remember your name. Mr. Smith. The particular design issues that you agreed on with the neighborhood, so -- what are the -- where are the points of agreement in the design that you negotiated? Maybe somebody walk us through that.

Klotz: Okay. I can do that. I may have to switch to the reading glasses. It's gone to that point.

Hales: Whatever equipment you need.

Klotz: I've resisted getting bifocals. Actually, when the neighborhood association board met, the adjoining neighbors had a list of things they would have liked to have seen in the agreement, and we adopted some of the things they would have liked, and also some things we had -- from one of our members in the land use committee, addressing those detailed design issues. So the first agreement we had was that they -- it be built to the standards that it -- let me see. That it has a deed restriction to 45 units of residential, and then items, small number 3, which is a list of about eight things, which has to do with basically the plan that they had shown us, which is there are three bays facing 39th, there are roof porches above each entry, arches in the roof outlines, and there's an inset signage on the facade. There's eaves which are 36 inches deep at the bump house, 18 inches elsewhere, three types of siding, two colors of paint, corner boards and belly boards painted to match the window and door trim. I think the belly board goes across the middle. Knee braces under the eaves, recessed windows so it gives the building a look -- a little more like the older buildings in the neighborhood. And a minimal five-inch nominal trim around the doors and windows, and conditions four and five here, four is the eight-foot wall or combination of wall and fence made of brick, stone, concrete block or other material, that was a condition the adjoining neighbors were concerned about and I think we pretty much adopted the language they wanted there. And the fifth one is plans for lighting, should be a minimum height to avoid shining in the neighbors' yards, not create glare, and noise. And those were the conditions that we set upon our approval -- our support of this project and of the zone changes. So with those conditions, the richmond neighborhood agrees to support the zone change, building permit applications and the following adjustments, one to remove a requirement for a loading zone, which I believe was remnant of this being a cn2 zone, in a similar apartment zone you probably would not have that requirement, and to allow the containers to be placed in a walled enclosure within the parking lot, but I believe that actually is not required in the -- that's not a necessary adjustment because in the cn2 that's not required. And the third one was to use the parking lot space dimensions and aisle width that are in the proposed storm water related amendments which change the dimensions of the parking lot spaces making the aisle narrow so there's less impervious surface and making the parking spaces shorter. That has been 8 proved by planning commission, but has yet to be adopted by council. So the idea is this wouldn't fit within that set of recommended standards, and that would allow them to get the parking spaces without covered as much land with parking. Basically that's the basic points of the agreement that we came to, and we have a signed copy, and they have a signed copy.

Saltzman: Okay. Any questions?

Hales: I think I understand it now. That's good.

Winterowd: I have question -- one question to ask the city attorney, a point of clarification. There is a lengthy letter that has been submitted by paul nore on behalf of the immediate neighbors, none of which relates to the design of the building, all of which relate to the availability of services, and it was my understanding that -- at the end of the hearing that the hearing was left open solely for the purpose of looking at the design issue, and so we did no more work in -- didn't do additional work on service issues, and had I thought that might be an issue here, we might have done. So i'm not sure what the correct answer is to that.

Saltzman: Any guidance on that one?

Beaumont: The hearing before you -- the last hearing before you was an on the record review of the hearings officer's decision. At the conclusion of that hearing you sent the parties out to negotiate and to talk about design issues and to report back to you. I think mr. Winterowd is correct that the focus of this hearing was intended to be limited. However, the record remains open and in reviewing mr. Nore's letter it appears to be argument based on the record that had been compiled before the hearings officer. So I think it's fairly submitted into the record.

NOVEMBER 1, 2000

Saltzman: We will keep --

Beaumont: Obviously the record was kept open for an additional period of time, if there's something they want to respond to --

Saltzman: Will we keep the record open?

Beaumont: If you're asked to, my recommendation would be that you keep it open for an additional week or so.

Winterowd: I think we'd like to address that possibility on rebuttal.

Saltzman: Okay. Why don't we hear now from the appellants.

*****: I did have --

Saltzman: Before we do that, we'll let doug finish his testimony.

Klotz: Yes. Because I do want to address some of the process, which i'm sure we will hear about. The neighborhood association feels this is an improvement over the original submittal from 1999, which is a parking lot in front and a wall along the street. So the design has come a long way. It meets the building setbacks, the transit setbacks, it creates a building front along 13th, it has porches and doors along 13th, and it will widen the sidewalk along 39th through a property dedication that will have a four-foot planning strip with trees. So it will be a more pedestrian friendly street. We feel this is the best project for the site. It puts the density on a transit line near the highest frequency transit line in the city. It would create less traffic than what would be generated by a drive-through or other commercial use. It's probably the best project for this site, less than one space per unit of parking, consistent with the transit and pedestrian orientation of the site and the location. The neighborhood board listened to the concerns of the neighbors. We had the applicants here presenting to our land use committee on january 19th, 2000, to our board on february 14th, 2000, we had a board discussion on may 8th, 2000, and land use committee meeting on september 7th, after will -- all of those times the neighborhood board or board members listened to the concerns of the adjacent neighbors. We tried to incorporate reasonable conditions on this project of the we did feel that the conditions that the neighbors had wanted would -- were unreasonable for the size of the project. They were asking for a 45-foot rear set-back, and a set-back 30 feet from the street, and we felt that was too much of an expectation for the developer. And we were concerned this project was a good project and we didn't want to lose the possibility of having this. So therefore we do support the zone change with the conditions of 45 units of apartments or less and we support the project as proposed, and support the adjustments as you heard. And we feel this is an opportunity to get a good building there on 39th, especially with the -- where we've specified all the details of the facade, because sometimes, you've as -- as you've heard, you see one set of plans, and when it gets built it doesn't look good as -- quite as good. I think with the specifications we have in our agreement, that it will look that good.

Saltzman: Let's hear now from the appellants. I believe -- I hope you can keep within the ten minutes allotted. So we'll give you ten meant.

Paul Norr, attorney for appellants: Thanks. We've agreed to split the time, with my taking less than five minutes and them taking the rest of the time. My name is paul nore, a lawyer in Portland. I have submitted a letter into the record. Okay. Is that better? I'm here today to address one issue, and that's that the applicants have not proved adequate services are available, particularly on street parking, public streets are part of the transportation system, the lack of adequate on-street parking affects -- the lack of adequate off-street parking affects on-street parking and affects the transportation system. You have two particular comp plan policies, 6.15 that addresses off-street parking and 6.16. Park assisting part of the transportation system. In the letter I submitted today, if I can ask you to turn to page 7, the second letter, there's a summary of numbers i'd like to walk through with you. That's page 7, the second last page. It says evidence in the record in this case reveals the following. First, the proposed number of apartment units is 45. 45 units. Proposed on-site parking spaces in the record it had been 37, today we heard that there would only be 36. Further, traffic impact study, which is in the record,

expected vehicles trips per day is 296. Since those are one-way trips, that leads to expected vehicles per day of 148 vehicles. Half the number of trips. On-street parking available on southeast 39th, zero. Evidence shows there's no parking on either side of southeast 39th. Is there any other available on-street parking? That's unknown. The location of any other available on-street parking, that's unknown. There's nothing in the record that would tell you whether there's any available on-street parking and where it is. Which leads me to the final number, the number of vehicles per day for which no parking has been identified, 111 vehicles per day. That's taking the 148 vehicles per day that their traffic study says will be there, subtracting the 37 on-site spaces, that's 111 vehicles per day for which no parks -- parking has been provided. The applicant has said they're going to charge an extra fee for the on-site spaces. So those will be reserved spaces for particular tenants, so guests can't use those spaces, other tenants, home health care people can't use those spaces, nobody else can use those spaces. So the applicant can't say those people will going to come throughout the day. Those are reserved spaces, so there's 111 vehicles per day that have no place to park based on the information you have available in the record. The transportation study that was done by the applicants doesn't address parking. By its own terms it limits itself to a study of only the intersection of 39th and hawthorne and the new intersection where the driveway will come out from the apartment complex -- complex onto 39th. It doesn't address parking or traffic onto 39th or hawthorne, nothing else. So you can't look at the transportation study for any help on parking. In fact, in this 46-page study, the word "parking" only appears once, and that's not with regard to on-street parking, it just simply says the mix of apartment units is mostly one-bedroom and studios with only 37 on-site parking spaces. That's it. That's the total of this transportation study with regard to parking that tells you virtually nothing. What's surprising to me about that is that the planning staff, on january 31st, sent the applicants a letter saying, you have to provide a traffic study that addresses parking, demand for parking and supply of parking. The applicants haven't done that. Also, the response that you have from your own department of transportation, which is a three-page response dated may 16th, exhibit e-2, doesn't address parking. The word "parking" doesn't appear in that response. My whole point is you don't know whether there's adequate parking being provided by this development. All you know based on the record is that there are 111 cars unaccounted for every day. 111 vehicles. So that's it for -- from my point of view. I don't you can reasonably find that the applicant has shown that transportation services are adequate to accommodate this development and i'd ask that you deny the application. Whatever time is left i'm happy to have the other appellants use, unless you have other questions.

Saltzman: Questions? Why don't you go ahead. Introduce yourself.

Phillip Moran, appellant: My name is phillip moran. I'm going to let james do our presentation.

James Boehm, appellant: James boehm, 1625 southeast 40th. Here we go. I realize we don't have much time. I want to apologize for taking up more time with this matter. I believe this has been distributed today about what has taken place. We'd like to see resolution to the design issues that were presented last time in the spirit of the council's comments that were made at the end of the session along the lines of having design which fits in, which leaves a good impression as a net benefit to the area and is essentially an improvement for this part of the city. Unfortunately the contact we had with the developer and his representative was either through the richmond neighborhood association land use chair, which you heard about already, or was pretty much one-way. Mr. Winterod described good faith negotiations, he said on both sides. We certainly feel we did our part. However, any time we presented our gave any material to mr. Winterod or the developer, they never came back to us with anything. There's mention in the memo that you got on october 10th from the richmond neighborhood association of specific unit counts. We realize -- those were essentially not up for discussion. I wanted to point out the reason they're mentioned is the developer offered them as a potential concession to us in exchange for supporting certain adjustments of theirs, and that was done at the meeting on september 7th at the -- at southeast uplift a. Richmond neighborhood association land use meeting.

NOVEMBER 1, 2000

There was a meeting between mr. Moran and mr. Winterod on october 5th there. Were some good ideas in the spirit of good faith exhibited there. We never heard anything back from that meeting about the ideas taken away from it. We also presented additional material at the neighborhood association meeting on october 9th, and we never heard anything back from mr. Winterod or the applicant from that meeting either. What was presented there was essentially very similar to the original plan they've been presenting most of this year. All of the discussions about changes that were presented september 7th to us were in effect backed out. They were no longer in discussion and the -- a plan very similar to the original plan with the parking adjustments for the storm water parking issue were what was presented to the neighborhood association. We still want residential multifamily development at this site, and we want it in character with the neighborhood. I think there's been some progress on that. And that does not review privacy in the quality of life from our perspective. And it's that remaining issue we don't feel has been fully addressed. We'd like some set-backs to preserve character and solar access to the adjacent residential properties, because there's this long building just over the line, and we want restricted use of the small parcel not subject to the zoning change, but owned by the applicant in the southeast corner of their property. This parcel is zoned r-5 with a comp plan of r2.5. So we would like to see, given the fact a lot of these negotiations went to them, we never heard anything back, we feel more needs to happen in the spirit of good faith, and we'd like to see the zone change in the de -- and the design tied together and the design overlay to guarantee that. We realize staff opposes that. One of the benefits is there's a straightforward process for that. It eliminates tying up more council time, and it would ensure continuation and more good faith discussion and agreement on these design issues. We are thankful the neighborhood association took some of our considerations into account. Unfortunately they were the simpler ones to take into account. Thanks.

Saltzman: Okay. Any further testimony? Any questions of the appellants?

*****: If you have questions of us we'd be happy to answer them.

Saltzman: Apparently no questions. There is time left for the applicant.

Hales: There's more testimony there, dan.

Saltzman: Oh. I'm sorry.

Ty Wyman, representing Phillip Moran, appellant: My name is ty wyman. I'm here representing mr. Moran. I asked -- i'm not sure where they are on time, I did see the tapes of the initial hearing, and what's going on in my head now is the concern that we were just given what you were given, it's evidentiary in nature. Beyond that, it's something that I think is the next step in the discussion. I wish it had happened four weeks ago. I think you may wish it had happened four weeks ago. It continues the discussion, and I think the record ought to be held open here with further instructions, clear instructions from the council that that be the source of further direct negotiations between the applicant and these appellants. You just met the applicant, I don't belief the appellants ever did. And that is essentially why we're back here. So i'm folding it in to a clear request that the record be held open so it -- at a minimum we can respond to the new evidence you've just been given, but I don't think that's really what we'd like. What we'd like is the record to be held open for a chance to have a real dialogue and discussion about what you've just been given.

Saltzman: I guess i'm unclear as to which new evidence you're referring to.

Wyman: The rendering that was given, and an agreement -- I am quite sure that that was just given to the appellants as I was sitting over there a few minutes ago as we came into the room. We've had eight weeks. The appellants, council, presented some of this information close to a month ago, and to be given it here in the hearing room is -- there's been a lot of talk about precedent, setting precedent, conditions of approval and zone changes, i'm concerned that we're setting a precedent not of hide the ball, but divide and conquer here, and you give the appellants the resolution that's been worked out at the very last minute, I -- I don't think it has to be this way in this circumstance or in others.

Saltzman: Okay. There's a question we -- request we keep the record open.

Wyman: And if there could be -- again, I hate the position that the council winds up in here, instructing parties that go out into the hall as it were, go out into the hall, please try to reach a resolution, but there seems to be perhaps a missed queue about the extent and the nature of -- and extent of the discussions that were to be had over the last eight weeks. That's a lot of time, and to have that resolved without face-to-face dialogue between the applicants and the appellant at the 11th hour, at the very last minute, is -- I think it's unacceptable legally without our ability to rebut, I also think that's the -- that's a real problem.

Hales: We can deal with that. I appreciate the point. We caused this problem. We're the ones that asked the parties to go negotiate over issues that weren't relevant to the decision criteria, so if anybody's at fault for the extension of discussion, it's this council, and I was one of the people that supported that. So our apologies, but we were trying to help. This was a zone change hearing on the record, criteria in the code, none of which has -- have anything to do with design. So we stretched that proceeding to provide the opportunity for this dialogue. No good deed goes unpunished, but it was our deed, not the applicant's or the neighborhood's.

Saltzman: Okay.

Sten: Can I ask a question?

Saltzman: Yes.

Sten: If you want to pass, I'll pass, but I'm going to let the lawyers work out procedurally how long the record needs to be open. But cutting to the chase, and not getting into who should have talked to who, because I don't know how that went, they looked to be -- there look to me to be irreconcilable differences. Is it your belief another conversation is going to change that?

Wyman: I don't think there's a difference on density, 30 versus 45. I could be mistaken and they can nod or not. I don't -- I absolutely reject that any of this is irreconcilable. This is going to come back. That's the reality. No one's told me that. We have an opportunity to resolve it. We could resolve it outside of a hearing room outside of costs and expense and time to this council and to the city, and we have chosen not to do that with our -- without finger pointing. I don't think that's acceptable for any of us who involve ourselves in the process. And I absolutely reject that there are irreconcilable differences.

Sten: The 30 and 45 isn't --

Wyman: I think we -- I think at this point in my understand -- my understanding is we -- we understand there's 45 units and nobody is asking for -- the appellants are not asking -- would they like to see it brought down? Sure. Do we understand why we want to achieve that kind of density? This is a great piece of property, well located for that density. We understand that. The concern really results out of will the design issue. Those concerns were expressed by the council. I'm a little bit chagrined to hear council apologizing for anything. I don't think any apology is necessary. I think this council should anticipate that its citizens, its applicants and appellants can go out in the hallway and reach agreement. Not only should it anticipate it, I think it could very close to demand it. This sort of resolution gets us past this day, perhaps, but it's -- the process will go on, particularly in a case like this, where there are further permits to be obtained, and to say, well, there's a difference here, it's irreconcilable, let's this -- let this one go simply delays --

Sten: So. I don't fear making a decision, so sometimes there's -- I'm trying to get to the point where -- are we at the point where we have to make a decision, that's what I'm trying to get at, in my own mind, where something could be worked out. I guess I don't completely understand -- I understand Mr. Nore's argument that the parking isn't met, but I don't understand, and I thought I read -- I obviously misread a request to have 30 units instead of 45 units. But I guess I don't really understand what is being put on the -- I hear you saying, gosh, they came up with something last minute. I don't understand what it is your side would consider enough.

Wyman: That was put forth I believe, and i'd need support from the folks who did it, that was put forth on october 9th, very clearly a memorandum of understanding proposed by the appellants, not the neighborhood, the appellants, to the applicant, which should have been part of the presentation.

Sten: You're trying to make a case to get this slowed down. I need you to give me something more. I'm ready to vote. You're saying -- I don't understand what your side wants, other than denial of this --

Wyman: No. We don't want a denial. What we want is a real dialogue. That's what you asked for last time. That didn't happen. And the question is, is this council going to stop asking its applicants and appellants to engage in dialogue outside of the hearing room? I don't think you want to do that.

Sten: With all due respect, your side came up and said this should be denied. That's what mr. Nore requested.

Wyman: That's not my side.

Sten: Well, i'm confused e. And i've got a neighborhood association and a developer who agree. So now what you're saying is i've got to somehow mediate what happened in those eight weeks rather than pick a winner or loser, and I don't even know what you want. I'd love to -- love to try and get you what you want if I knew what it was.

Wyman: I asked -- i'm going to be completely blunt. I told these guys behind me going there -- in there and tell them what you want. If they don't know, they can't -- I think they tried to explain it perhaps because we're rushing to get things in within ten minutes, we understand why we have ten minutes, you say it's -- you pick a winner and a loser, if that's where we're at, that's unfortunate yacht. We don't think it needs to be that way. Maybe because we're concerned we're going to be the loser. There's just more process.

Saltzman: We've gone beyond the ten minutes.

Boehm: If I can perhaps avoid the confusion, I represent the one neighborhood to the north, ty represents the two neighbors to the east.

Sten: And they're not united.

Sten: That helps.

Boehm: I tried to -- there was mention of 30 units. That was a point for discussion. What we're really seeking at this point were some solid set-backs for the design. And a very limited use of this residential zone parcel that is not part of the zoning change but part of the overall property.

Saltzman: Okay.

Sten: Thank you.

Saltzman: I know we've gone over the ten minutes, so I want to give the -- I think there is time left for the applicant to rebut. Is that correct? Two minutes? Okay. Mr. Winterod, you have two minutes.

Winterowd: Very briefly, we had two face-to-face meetings with the immediate neighbors. We did list some -- listen, and we didn't provide a written response. There was a discussion of 30 units, there was discussion of odd set-backs, all of which were unacceptable to the applicants and I believe the differences are irreconcilable. It is just too big. There was a number of -- there was some discussion about traffic impacts. If you look at the hearings officer's decision it talks a great deal about parking. A critical fact mr. Nore did not mention is rather than going for the cn1 zone, which is no parking requirements, we went to the cn2 zone, which has parking standards that were completely met. And the analysis of the 111 vehicles that have no parking spaces is bogus, because each of those cars has about six trips per day. So they come and go. To suggest every one of those vehicle trips needs a separate space is not how do you traffic analysis. We would like the opportunity to I think if you have questions for your -- for the traffic engineer from the city on parking, I think it might be wise to ask her her views on the subject, and we would request that the record be open an additional week so we can address the pages of allegations made by mr. Nore.

Saltzman: Mr. Smith? Okay.

Hales: I'm ready to make a motion.

Saltzman: We'll keep the record open.

Hales: I want to make a tentative decision. Obviously we want to keep the record open, because parties have requested that. So we'll make -- if council adopts this or any other motion we'll keep the record open long enough to let people submit further evidence and we can reconsider the vote. But before I do that, I want to say, I think actually although there's some frustration in the room, I think everybody involved in this proceeding acquitted themselves very well. I appreciate the points you made as neighbors, I appreciate the role of the neighborhood association, I appreciate the facts the applicant in his -- and his consultant were willing to flex. Frankly the council did, and I was a perpetrator of this, a coperpetrator of this, we did go somewhat outside of the boundaries of the legal requirements, the minimum requirements of what's required for a zone change in conformance with the comp plan. Where we frankly don't get to review design. Maybe that's not as it should be, but that is how it is. And so with the cooperation of this applicant and a mediating role, some of your design issues got considered were frankly we didn't have much legal authority to do that. And it took everyone's willingness to cooperate with us to get to this level. My poor staff particularly ellen wax, who did a great job trying to stay on top of the surfboard while we sent waves at her, I think everybody did a good job here. So I think we've done much better thanks to your appeal and the design of this project than we would have done if we had simply followed the procedure of considering adequacy of service. Because we don't consider parking, we technically -- we consider adequacy of the transportation system beyond the site. Bureau of transportation and engineering and development did that, there's evidence in the record they find there's capacity in the system, and so I think that overrides the questions you raised mr. Nore, about parking capacity. So my recommendation and my motion is that we deny the appeal and uphold the hearings officer's decision that -- but modify the findings to reflect -- well, i'm not sure if we have to do this. To -- do we need to modify the findings, or is the agreement separate from our decision?

Beaumont: The agreement is separate from the decision.

Hales: So we can acknowledge that it's a binding agreement. In are already conditions drafted that deal with the residential use of the property. And so those modified conditions would go forward with the tentative decision. So I would make a motion that we deny the appeal, uphold the hearings officer's decision with findings and conclusions to reflect the conditions that we have set in the record.

Sten: Can I -- so are the conditions and our conditions reflect the things the neighborhood agreed to?

Hales: No. That's a private agreement separate from our decision.

Sten: Is there anything wrong with us putting in those design --

Hales: I think -- if we can, I think we should. They don't think we should. Could the opdr staff assist?

Beaumont: I think there's good reason for not including those as part of the decision. There will be -- there will need to be further land use reviews of the proposed design adjustments, which will have to be applied for and granted and those are not things the council can grant and they're not part of this proposal.

Hales: Okay. So they get addressed in the --

Beaumont: : Separate meetings.

Hales: You've got this agreement in front of you when those issues are considered by opdr and/or the adjustment committee.

Saltzman: So we have a motion.

Francesconi: Second.

Saltzman: Further discussion on the motion? Please call the roll.

Francesconi: I support this motion for all the reasons. I think commissioner Hales did a good job of summarizing it. I was a little -- we have certain criteria by which we have to approve these things or not approve these things, and design is not one of them. And so I appreciate that the parties got

NOVEMBER 1, 2000

together over an issue they didn't have to get together over, not all the parts, but some. It's just not a criteria. But I think the best result could come out of this that did. It doesn't satisfy everybody, but I appreciate you doing this. I appreciate the neighborhood association being realistic, given the constraints of the law, and the financing of what it takes to make this thing happen. So this is the best result that could happen under the circumstances. Aye.

Hales: This was a little messy, and probably caused everybody a lot of anxiety, but I think the lesson I hope sticks from this is what really works well is when applicants and neighbors it is down and work on design issues. Granted, would you have liked that to have been done differently and maybe others would have too, but we got to that conversation at least to an extent, we got a better designed project that took into account legitimate neighborhood concerns, so I appreciate everyone's willingness to roll up their sleeves and do that. Fitting multifamily into the edges of single family districts is difficult and requires care with design. I think an adequate level of care has been taken, and this project will be a good neighbor. To me, that's the sort of the core value. The best way to be a good neighbor is build a good building. I think that's been accomplished. Aye.

Saltzman: I think there's been a lot of good faith between the neighborhood association, the neighbors who are appealing the decision, and the applicant itself. And I think this is regardless how we got there, this is a process to be encouraged and supported. I'm just sorry that it couldn't be one that has the unanimous support of all the neighbors. This is a good agreement nevertheless. Aye.

Sten: I think well designed apartment units are a good use of this land, and fit the comp plan, I think development meets all the criteria. On that level i'm a solid supporter. I wishing we could have got all the way there, but I think it's better than it was. I think it meets all the criteria, so i'm going to vote aye.

Beaumont: Commissioner Saltzman, to be clear, this was a tentative vote, this will be continued for a final decision next wednesday, november 8th, at 2:00 p.m. Correct, Britta?

Olson: Yes.

Saltzman: If anything further --

Beaumont: There's also been a request to hold the record open, so the record could be held open until 5:00 p.m. On tuesday, november 7th. Anything to be submitted when -- would need to be submitted to Britta, the council clerk, by then.

Saltzman: Okay. Sounds good. No further business, we are adjourned.

At 2:52 p.m., Council adjourned.