



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 20th DAY OF SEPTEMBER, 2000 AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi, Hales, Saltzman and Sten, 5.

At noon, Mayor Katz left and Commissioner Saltzman, Council President, presided.

OFFICERS IN ATTENDANCE: Britta Olson, Clerk of the Council; Harry Auerbach and Ruth Spetter, Senior Deputy City Attorneys; and Officer Chuck Bolliger, Sergeant at Arms.

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

1370 TIME CERTAIN: 9:30 AM – Sixth Annual Pollution Prevention Awards (Presentation by Commissioner Saltzman)

Disposition: Placed on File.

1371 TIME CERTAIN: 10:00 AM – Authorize the Clean River Incentives Program (Resolution introduced by Commissioner Saltzman)

Disposition: Continued as amended to September 27, 2000 at 9:30 a.m.

1372 TIME CERTAIN: 11:00 AM – Approve the appointment of John Wright Russell to the Portland Development Commission (Resolution introduced by Mayor Katz)

Disposition: Resolution No. 35926. (Y-5)

1373 TIME CERTAIN: 11:15 AM – Report by members of the Citizen's Noise Advisory Committee sponsored by the Portland International Airport (Report introduced by Commissioner Saltzman)

Disposition: Accepted. (Y-4)

CONSENT AGENDA - NO DISCUSSION

1374 Cash investment balances August 3 through August 30, 2000 (Report; Treasurer)

Disposition: Placed on File.

1375 Accept bid of Lindquist & Lindquist, Inc. dba L & L Fabrication and Machining to furnish parking meter painting services for \$54,500 annually for two years (Purchasing Report - Bid No. 99768)

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Disposition: Accepted; Prepare Contract. (Y-5)

- 1376** Accept bid of Agissar Corporation to furnish automatic mail extractor for \$84,500 (Purchasing Report - Bid No. 100106)

Disposition: Accepted; Prepare Contract. (Y-5)

- 1377** Accept bids of Northwest Outdoor Equipment for \$771,880 for Package A and Farwest Equipment for \$191,672 for Package B to furnish golf turf maintenance equipment and accessories (Purchasing Report - Bid No. 100128)

Disposition: Accepted; Prepare Contract. (Y-5)

- 1378** Reject all bids to furnish East Delta HVAC upgrade (Purchasing Report - Bid No. 100146-SMP)

Disposition: Accepted. (Y-5)

- 1379** Accept bid of Nutter Corporation of Vancouver to furnish Rosemont Common project for \$533,938 (Purchasing Report - Bid No. 100191)

Disposition: Accepted; Prepare Contract. (Y-5)

Mayor Vera Katz

- 1380** Adopt City of Portland Investment Policy (Resolution)

Disposition: Resolution No. 35925. (Y-5)

- *1381** Delay effective date of Ordinance to amend City Code relating to Purchasing (Ordinance; amend Ordinance No. 174509 to add Chapter 5.33, repeal Chapters 5.01, 5.32, 5.44, 17.20, replace Section 3.30.050.A.3 and add Section 3.15.080.C)

Disposition: Ordinance No. 174904. (Y-5)

Commissioner Dan Saltzman

- *1382** Authorize a contract with Carollo Engineers for design of the Northwest CSO pump station, Project No. 5508 (Ordinance)

Disposition: Ordinance No. 174905. (Y-5)

- *1383** Authorize a purchase order to serve as a contract to Dunn Construction for the NE Cleveland emergency sewer reconstruction project, Project No. 6887, for \$185,000 and provide for payment (Ordinance)

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Disposition: Ordinance No. 174906. (Y-5)

Commissioner Erik Sten

- *1384** Contract with Metro East Portland Interfaith Hospitality Network for \$25,000 to provide services and outreach for homeless families and provide for payment (Ordinance)

Disposition: Ordinance No. 174907. (Y-5)

- *1385** Contract with Lutheran Family Services for \$56,000 for the Family Works/Parkrose Target Area Designation Program and provide for payment (Ordinance)

Disposition: Ordinance No. 174908. (Y-5)

- *1386** Amend agreement with Rosemont Senior Housing Associates Limited Partnership to reduce the interest percentage and include a loan fee (Ordinance; amend Agreement No. 33157)

Disposition: Ordinance No. 174909. (Y-5)

- 1387** Authorize an agreement with Nalco Chemical Company 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 1365)

Disposition: Ordinance No. 174910. (Y-5)

City Auditor Gary Blackmer

- 1388** Assess system development charge contracts (Second Reading Agenda 1366; K0027, K0028, P0053, T0043, T0044, Z0728)

Disposition: Ordinance No. 174911. (Y-5)

REGULAR AGENDA

- 1389** Accept bid of Mid Valley Natives LLC for \$35,900, Pacific NW Natives for \$123,000 and Triangle Farms, Inc. for \$60,000, to furnish native seed per pound annually for three years for a total estimated annual amount of \$218,900 (Purchasing Report - Bid No. 100141)

Disposition: Accepted; Prepare Contract. (Y-5)

- 1390** Accept bid of Heritage Seedlings for \$21,175, Kenagy Family Farm, Inc. for \$22,050, Mid Valley Natives LLC for \$31,000 and Triangle Farms, Inc. for \$2,748, to furnish native seed production - pilot grow out program annually for three years for a total estimated annual amount of \$76,973 (Purchasing Report - Bid No. 100142)

Disposition: Accepted; Prepare Contract. (Y-5)

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Mayor Vera Katz

- *1391** Authorize agreement for marketing and sales services with Greg Locati for the 800 MHz Regional Wireless Communications Systems for amounts specified in the contract, not to exceed \$69,000, and provide for payment (Ordinance)

Disposition: File For No Further Consideration.

- *1392** Approve annexation to the City of Portland of property in case number A-2-00, Whitley (Ordinance)

Disposition: Ordinance No. 174912. (Y-4)

- *1393** Approve annexation to the City of Portland of property in case number A-3-00, SE Barbara Welch Road (Ordinance)

Disposition: Ordinance No. 174913. (Y-4)

- *1394** Accept an Oregon Department of Justice, Criminal Justice Division, Victims of Crime Act grant (Ordinance)

Disposition: Ordinance No. 174914. (Y-4)

- *1395** Extend legal service agreement with Stoel, Rives LLP for outside counsel (Ordinance; amend Contract No. 32999)

Disposition: Ordinance No. 174915. (Y-4)

Commissioner Charlie Hales

- *1396** Authorize claim settlement payment to Copenhagen Utilities & Construction, Inc. (Ordinance)

Disposition: Ordinance No. 174916. (Y-4)

Communications

- 1397** Request of Christy Hoppe to address Council regarding Student Hope, a non-profit organization against gun violence (Communication)

Disposition: Placed on File.

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At 12:28 p.m., Council adjourned.

GARY BLACKMER
Auditor of the City of Portland

Britta Olson / al

By Britta Olson
Clerk of the Council

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

SEPTEMBER 20, 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.

SEPTEMBER 20, 2000 9:30 AM

Katz: Council will come to order. Please call the roll. [roll call] all right. We have a couple of time certians. Let's start with the consent agenda. Any items to be removed from the consent agenda? Roll call on consent agenda. **Francesconi:** Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye. **Katz:** Mayor votes aye. Consent agenda has passed. Item 1370.

Item 1370.

Saltzman: Thank you, madam mayor. September 18th and -- through 24th is pollution prevention week. In Portland we celebrate by taking time to recognize the good works of people in our community who use prevention as a key strategy for pollution management. This is the sixth year we have presented these awards for prevention. I'd like to invite dean marriott to come up and read the award winners and I guess I will hand them their awards.

Dean Marriott, Director, Bureau of Environmental Services (BES): Thank you. Good morning, mayor Katz, members of the council. It's a great pleasure for me to come back before you again this year during pollution prevention week to have you help us celebrate success stories with pollution prevention. As you know from having done this so many times in the past, we all firmly believe that it's much more effective way of dealing with protecting our natural resources to prevent the pollution from happening than it is to clean it up, and all of us are painfully aware of the cost of clean-up versus the cost of prevention. Also strongly believing that you should reward the behavior that you'd like to see replicated, that's another reason why we should feel good and -- in honoring the people who will be receiving these awards today. So with me today is margaret, who is our pollution prevention coordinator. She's going to assist by giving commissioner Saltzman the plaque which is made out of recycled glass, and what i'll do is read the name of the recipient and ask them to come forward and as they come forward to receive their recognition, i'll read you a short statement about why they're being recognized. Is michael here? We'll start with the first award, which is -- goes to lewis & clark college, and michael sesstrick was going to be here. I don't know if he's here this morning or not. We'll be sure michael gets this award. Lewis and clark has been doing some very interesting things about reducing the amount of impervious surface on the campus. They've been removing paved areas that are no longer needed to increase pedestrian friendly campus and to reduce the volume of storm water coming off of impervious surfaces. So we'll make sure michael gets this award. And if he shows up before we're finished maybe we could give it to him at the end. The next award is -- gives me a lot of pressure to present this to a colleague, steve barrent, representing the waste water group. If you'd come up, steve. You'll recall during the -- one of the events in the fall of 1999 when we asked people to reduce the amount of water, they were using because of a turbid buy -- turbidity problem at bull run, steve and his folks stepped up and reduced significantly by over 4 million gallons of a -- a day the amount of bull run water being used in all of our operations, and it took a lot of pressure off the system. And for that they -- steve will be accepting this award for all of the folks at the -- in the waste water treatment group. Congratulations. [applause] the next award is -- goes to sheryl bunn from the energy office. She is a green team leader. Is sheryl here this morning? Great. The city of Portland's green team is led by the energy office, and sheryl bunn provides the enthusiasm for that operation. With her leadership the green team has successfully completed several innovative projects, including

the green fair, clean your files day, and creating a city surplus equipment website so people can use -- make use of surplus equipment instead of buying new things. Sheryl's enthusiasm makes an important issues of sustainable living exciting for all of us, congratulations. [applause] the next recognition is really a two-fer. We've invited two people to accept this. It involves a restoration project and accepting george crawl for the bureau of environmental services, and tom mccue from vaker siltronic. If they could come up. Vaker decided to pursue an emerging partnership with the bureau to provide a wetland restoration project at the children's arboretum. It creates habitat and various water quality benefits along the columbia slough. The added benefits is many people on a daily basis now have an opportunity to learn more about the importance of restoring our watershed health. Congratulations and thank you. [applause] the final award for this year -- two more awards, i'm sorry. The next award goes to judy monroe on behalf of the Oregon zoo. The Oregon zoo just keeps getting better, and any of you that have been there recently can attest to that. The zoo is working on a number of programs to reduce the number of environmental impacts. A sample include 20% of zoo employees carpool or use public transportation. The zoo issues an average of 177 tri-met passes per quarter to employees. Bus tickets are available for seasonal workers and for zoo volunteers. And any of you that have been out there recently have seen the great job they've done on the recycling program. They've increased by over 300% the amount of materials recycled just in the last five years. It's a great place to work and visit and a real asset for our community. Congratulations. [applause] now the final award today is for mark jackson from bonneville power. Is mark here? Great. Mark is well known for being an innovative thinker on energy issues. He's done a great job in developing and promoting the fuel cell as a viable energy source for commercial and residential use. Through his work the technology is accessible, utilities that can pass the technology on to their customers. His work promotes a clean energy resource and helps prevent pollution in our community. Congratulations, mark. [applause] do you know if michael showed up? Okay. Thank you very much, mayor, and members of the council. We appreciate you taking the time to help recognize these community leaders and to recognize the importance of pollution prevention.

Katz: Thank you, dean, and congratulations all of you who received an award. You're wonderful partners with us in the city and we're happy that we can honor you in this small way. Keep up all the good work. Thank you, dean. Thank you, commissioner. All right. We a -- are way ahead of our schedule, so let's go to the regular agenda. Let's begin moving through that, and if there are any issues the council wants to hold off on because staff might not -- oh, there's laurel. I was wondering about that one. Let's take 1389.

Items 1389 and 1390.

Scott Clement, BES: Good morning. My name is scott clements, I work for the bureau of environmental services.

George Kral, BES: And i'm george crawl, a forester, I manage the watershed vegetation program for the bureau of environmental services.

Clement: This morning we have two items before you. The first agenda item as just mentioned is a recommendation for award and annual supply native seed grow-out to three growers. The second item, item 1390, is recommendation for award for annual supply of native seed production and experimental grow-out.

Katz: Britta, why don't you read 1390 as well.

Clement: Thank you. Rather than spend time talking about these two contracts of which there's nothing controversial in them, we would like to take this opportunity to share with you who we are, what we do, and why this work is so important. The watershed revegetation program is in the environmental services bureau of environmental services. We are in the engineering services group, construction services division. We support the bureau in their mission of protecting and enhancing the habitat along waterways, uplands and wetlands. This restoration work involves all the typical cradle to

grave activities associated with any project, but in this program it also involves very specialized activities. Activities such as development of a native seed and plant industry for supplying the materials necessary for restoration. The restoration effort involves germination of over half a million native plants grown annually, collected -- plants grown by seed collected by staff. It involves the education of the public on the importance of what we do and how if this activity were not undertaken, the long-term negative impact that we would realize on the quality of the natural environment to Portland. For instance, we've recently seen the endangered species act listing of four species of salmon and trout and we want to make sure to avoid future loss of any natural habitat. The restoration also involves development of agreements with property owners, both public and private, private owners, businesses, public agencies, to improve the vital natural resource habitat that we have. I've got a couple slides to share with you of the revegetation effort in action. The first slide illustrates a seeding operation going on utilizing native seeds out on a project off of 82nd avenue newer columbia slough. The second photograph illustrates planting in action, planting usually requires up to 20 individuals planting plants followed up by individuals staking plants. This particular operation was done this past february along the whitaker columbia slough east of 82nd avenue. The third slide i'd like to show you of implementation is actual quality control and measurement. Here you've got a staff member that is measuring a plot to make sure we have the correct plants and the correct -- in the correct area and we've got the densities as specified. This past year we were funded through the bureau's capital improvement program for the restoration of 78 acres. We restored 294 acres. So how did we do that? Well, we basically did it on the efforts and the hard work of the staff and -- involved in this program. They were successful in obtaining close to a million dollars of outside fund for this restoration effort. In this current year, again, we have a lot of work in front of us. We have a goal of restoring 380 acres. Part of this is developing additional public-private partnerships, partnerships with other public agencies to fund the restoration. And finally, we're working on how best to preserve our native northwest habitat by a diversity from being overrun by invasives, such as kudzu, which you might have heard of in the news.

Kral: When european settlers first arrived in the Portland area, they encountered a landscape that was rich and diverse. This landscape included hundreds of species of trees, shrubs, grasses, wild flowers. This diversity of vegetation supported thousands of species of birds and mammals, insects, all sorts of other organisms. Over the past two centuries, we've imposed our civilization on this complex web, and one of the most subtle but maybe one of the most far-reaching manifestations of our imposition here has been our introduction of nonnative plants and other organisms. A lot of these organisms, plants in particular, when they're introduced and released here, become tenacious and aggressive weeds, and these plants spread out across the landscape like a blanket, and they smother the diversity I just described. This has become our greatest challenge in restoring functional diverse ecosystems here in the city of Portland. I've got a few slides that illustrate the scope of the problem that we're dealing with. These slides are all taken here in the city of Portland. This first slide shows a douglas fir that the lower three-quarters of which has been draped by a plant called clematis and another plant called english ivy, which you may be familiar with. This next slide shows a slope in southwest Portland that had been occupied by a variety of native shrubs and dozens of species of other plants, and the whole slope is blanketed by clematis and blackberry. So we've got -- gone from a situation where we had a great diversity of plants and an even greater diversity of all the animals and other organisms that depend on those plants to a situation we're we -- where we have only one or two species of weeds covering the whole area. This last slide is kind of a sad one. It shows if you can see right here, this is a big leaf maple. This is right next to barbur boulevard, not very far from downtown here at all. In -- this has been completely blanketed -- i'm sorry, I messed that. Completely blanketed -- let me go back to that one. Completely blanketed by the plant clematis. This is -- has happened over a period of less than two years, and this plant -- the tree that's underneath this carpet of clematis probably won't be with

us very much longer unless we go to great efforts to release it. So many of the species that were once common here are now rare or extinct in the city of Portland. So a critical element of our program has been locating remnant populations of plants and collecting seed from these plants and growing them either at our own facilities or through contracts such as the two contracts that are before you today. I'd like to show you a small sample of some of the plants that we'll be restoring to Portland landscapes in part through our work with these contracts. This photo shows a section of our facility. We have a small plot at the north willamette research and experiment station just across the river in canby, and at this location we're growing several dozen species of native plants, and we're both learning about how these plants grow and we're also acquiring -- increasing the seed we've collected from natural sites and then this seed in turn is used in contracts such as the ones before you today. I'll just show you a few of the plants. This is a sedge. This plant was native in marshes, wetlands, it is now quite rare. This plant is called checker mall low, the field checker mall low. A plant that was very common in prairies, open wood lands throughout Portland, and is now essentially extinct here in the city. This plant is called duningia. It grows in wet meadows in the willamette valley. Also it's rare or quite likely extinct in the city of Portland. This plant, this slide illustrates the associations I discussed earlier, plants when we lose species of plants we lose not only the plant, but all of the species associated with that plant. This is cow's parsnip. It tends to have dozens of associations with insects and other organisms. You can see there's a lady bug here, and it is feeding on another small organism that's feeding directly on the plant. So, again, they're all part of a complex web. This is the last slide, this is a plant called coreopsis. It was once common in the floodplains of the columbia river and was quite common in the city of Portland at one time and is now very rare. So these are all plants that we're working diligently to try to save and to restore in Portland natural areas. And in this presentation we've shown you just a few of the elements that we're working on in our program. In order to continue our work, we'll look to council to provide support as we attempt to develop more agreements, cooperative agreements with other agencies within the city and outside of the city of Portland, so any support you can lend us would be greatly appreciated. The more we can increase awareness in political circles and among the general public of what we do, and why we do it, the more work we'll be able to do in the greater our level of success in the long run. So now we would be glad to answer any questions you might have about the program or about the two contracts that are on the table today.

Hales: The bureau has done great work with friends of trees in terms of using volunteers to do these natural area projects. I assume you still have that set of relationships as well, also I guess the so-called no ivy league group that's been using volunteers in parks, primarily, to remove ivy in parks. I assume the bureau's working -- b.e.s. Is working effectively with those groups to do the work on the sites?

*****, **Friends of Trees:** Yes, we are. In fact, we'll have at least two projects this year that i'm aware of right now with friends of trees, and we have one of the folks on our staff that's been actively involved in meetings with the no ivy league and the sort of infrastructure or the set of people that are working on the ivy issue throughout the city.

Hales: Just a curiosity question, how do you physically deal with a site that's got six feet of blackberry on it? Do you try to kill the blackberry, do you cut it back? These invasive species are just that, so in other words, if we spend the money to develop these almost lost varieties of plants, go replant them in the landscape and they get overwhelmed again by the very invasive species that caused the problem in the first place, we've wasted your effort and a lot of money. How do we get rid of the bad stuff to give the good stuff a chance?

*****, **Friends of Trees:** The answer is probably longer than we have time for, but i'll try to do what I can. We use a variety of different techniques to try to get initial control over nonnative vegetation and try to maintain these areas in as weed-free condition as possible. We can't just throw the seed on the ground and expect to have any success at all. A big part of the strategy is to remove the invasive plant and then as quickly as possible replace it with the native ground cover using the seed that we're

producing through contracts like this one. Because as soon as we open up a piece of ground, there's all sorts of things that want to move back in. So the quicker we establish that cover, the better. That's why these contracts are so important. Because a lot of the materials we would want to work with aren't available at this point. Nobody has ever done this kind of work before. This program is really unique, and we've been in communication with a lot of cities around the northwest, and else where in the united states, and no one has really tackled these issues and -- in trying to restore biodiversity to nearly the degree the staff in this program has. And it's really a great program, and it is integrated. It has to be, otherwise we don't follow every step, we're not going to be successful. So site prep, getting rid of the weeds, having the plant materials to work with are all important parts of the process.

Hales: Good. Thanks.

Francesconi: Just one question. So there's other programs out there, the salmon restoration league, I think, they have a program that's not exactly the right name, open meadows, there's a lot of programs out there. This is a great opportunity, because young people really want to do this. Is there -- do you have any availability for more contracts with schools or with other alternative schools, or youth groups in order to get both benefit for the environment and work experience for youth?

*****, **Friends of Trees:** In the past we've done a substantial amount of work with both those organizations, salmon core and the oak meadow, crew program. And we have -- we create numerous opportunities for volunteer groups, for individuals who are interested. We have a small core of dedicated volunteers who work specifically on some of our projects. Seed collection has been one of the things we've gotten really good volunteer support. Certainly we welcome those kinds of relationships, and we try to develop them and prevent -- present opportunities where we can.

Francesconi: Do you have any money for them?

*****, **Friends of Trees:** Money for --

Francesconi: Author these contracts, for these groups?

*****, **Friends of Trees:** We have to have money to make this stuff work. Yes. If these groups are able to fill the bill for certain aspects, there are some things that are appropriate and great for volunteers and student groups, there are educational opportunities and things of that sort, and where those things come along and coincide, those are things we encourage.

Francesconi: Are you the contact person?

*****, **Friends of Trees:** That would be a good start. Yeah.

Francesconi: Thanks.

Katz: Further questions?

Saltzman: Our goal is to restore how many acres this year? 300?

*****, **Friends of Trees:** 380 acres is our goal this year.

Saltzman: Good program.

Katz: What would your roll be in the restoration -- your role be in the restoration of the greenway?

*****, **Friends of Trees:** The willamette greenway?

Katz: Right.

*****, **Friends of Trees:** We'll have an increasing role in restoring the greenway. It has a said of unique challenges and opportunities, and I think our program has some -- a potential role there. And I would be glad of any input or advice you might have about how we could be involved in that. But we are working on some projects on the willamette already. We've done a project at cathedral park, we have a project at willamette cove, we've just completed -- we completed the initial installation at heron point just up the river. And there are others, we've worked at oaks bottom. There are a lot of opportunities and challenges.

Katz: Could you leave your card with us, your -- both? Okay. Thank you. See what happens when you come and tell us all the wonderful things you do? We're going to give you more work to do.

*****, **Friends of Trees:** We have flyers we could leave with you. I'm not sure we have a card.

Katz: That's fine. Put your names on them.

****, **Friends of Trees:** Great. Thank you.

Katz: Anybody else want to ask questions? Thank you. Anybody want to testify on these two items? If not, let's take roll call on 1389.

Francesconi: Thanks for the education. Very good work. Aye.

Hales: It was a good presentation. This is an important ingredient, having the seed stock and plant stock to go back and do these restored areas. I want to reemphasize the slew of working effectively with the volunteer groups. I've done a lot of the friends of trees plantings, and i've gone out and sunk up to my knees in mud doing a natural area of planting with them, and my kids and I have worked on the no ivy league, and I know from that experience in watching those groups work that there's a huge amount of very unglamorous, very difficult physical work to do in taking the plant material that you're creating and having it not simply get lost in a regrowth of ivy or blackberry or whatever. And frankly, we'll never be able to hire enough people on the city payroll to get ahead of the ivy and the blackberry. The work you're doing is essential. But unless we have dozens if not hundreds of willing volunteers who are willing to go out in the rain and chop ivy off of trees and pull it out of the ground, or hack away at blackberry with machetes or whatever you do there, unless we have a whole bunch of volunteers willing to go out and do that work. Those groups have recruited those volunteers, we'll never make any headway against this. That damn stuff just grows so fast in our climate, even an effective program would be overwhelmed and you'd see your work literally covered up by the stuff you'd been trying to deal with. So it's essential that your program work effectively with those volunteer organizations and jane foreman at friends of trees and this amazing sandy -- the person you have at parks running that ivy program, those folks are magic in their ability to bring volunteers out and do that work. And so the better working relationship you and b.e.s. Have with those groups, the better your work is going to be literally grown, you know, in the landscape. So that's why I was asking those questions and preaching this message that i've certainly seen those groups do great work, and we'll never be able to have enough people inside of any bureau's organization, whether it's parks, staff, or yours, to do this work with city employees. So I want to just encourage and support what you're doing, but also encourage an even better working relationship with those volunteer groups, because I think we're going to need them. Aye.

Saltzman: This is really great work. Thanks for chairing this with us. It's nice to see what native plants look like. I hear it a lot and I certainly know about ivy and blackberries, but I haven't seen enough of the native plants to know what the positive alternatives that we're striving for. I want to mention as a county commissioner I did work to get a lot of community service work groups, people who are sentenced for whatever purpose to perform a certain amount of community service, and they were involved working with the parks bureau to pull blackberries and -- in stevens creek natural area, and I -- if that's not a labor pool you're tapping into, i'd be happy to help facilitate getting them, because there are -- unfortunately lots of people who are -- have community service obligations to perform, and this is -- and the county does organize very effective work crews. When they show up, they're ready to work. They've got the tools and they can do quite a bit of -- pull quite a lot of blackberries in a short amount of time. I'd be happy to help facilitate contacts there. Aye.

Sten: This has been one of the city's best programs for a long time. It still is. Great job. I think for people who haven't been out there recently, the turnaround in the columbia slough is beginning to be pretty visible and remarkable. The sewage is out of the slew now, soon this fall it will be 100% fixed. Once this vegetation gets to the place you're taking it, we're going to have a restored waterway. I think it's largely thanks to your efforts, and it's not only real impressive, but it's cost effective. Keep it up. Aye.

Katz: Aye. Please leave the brochures and write your names on them. 1390. **Francesconi:** Aye.

Hales: Aye. **Saltzman:** Aye. **Sten:** Aye. **Katz:** Mayor votes aye. 1391.

Olson: Do you want to move to the time certain?

Katz: Is it 10 o'clock? Okay. It's 10 o'clock. 1371.

Item 1371.

Saltzman: We passed a rate reform package several months ago. One of the main changes in the rate reform package was to take our fixed service charge for water and sewer bills and roll those into rates so that people who consume more will pay more of those charges. The other part of our rate reform was to effect a storm water discount program to encourage people to manage storm water, rain water on their property and not to put it into our system. And there's a lot of techniques available to do that. Dry wells, ecoroofs, disconnecting your downspouts. The whole point is to encourage people to take responsibility for their own surface water and provide them a financial incentive for doing so. And that is this program. Dan, with the bureau, has basically been given the task in working with other people in the bureau to develop this discount program, and he's here today to sort of report to us on the recommendations they have to carry forward the program, which we intend to make available starting on January 1st for people to actually have their property qualify for the discount program. With that I'll turn it over to Dan.

Dan Vizzini, BES: Thank you, commissioner Saltzman. Mayor Katz, members of the council, for the record, I'm Dan Vizzini with the department of environmental services. The purpose of this hearing and meeting today is to check in with you on our -- the work we're doing to develop the discount program for the storm water utility. And to collect any public comment that might be -- might come forward at this time. Our intent is to bring back the detailed administrative rules that will govern the program and the rate impacts, new rate ordinance for storm water charges in November in anticipation of the program going live in January. Let's see. Do you want -- we can have a few slides. So what I wanted to do very quickly was to cover a little bit of history and the bureau recommendations. Some alternatives that we're bringing to you this morning, and then step aside and allow for public comment and then come back and answer any detailed questions you have. The -- just as a reminder, in April the council gave us two directives. The first with a to -- was to create and implement a storm water discount program that provides incentives to customers who manage their storm water on site. And the second was to commission an independent study, or analysis, of the cost of managing storm water from private property versus public rights of way, and include an estimate of -- estimate that the -- of the cost savings the utility might expect from private on-site storm water management. What we have provided to the council is in a report from the bureau, is the -- a proposed program for the storm water discounts, as well as a report from an independent consultant, Black and Beach Corporation, on the cost allocation issues. Basically what we are asking the council to do today is to provide us -- to make some decisions on sort of the super structure of the discount program, some very critical decisions. The first is we'd like you to endorse the idea that the discounts should be limited to the property component of the storm water charge, and that property component is roughly 35% of the basic storm water charge. That 35% figure has been recommended by Black and Beach after doing an independent review of our storm water utility costs, and it's consistent with a variety of other methods of allocating costs that we've brought to council in the past. We also want the council to endorse the schedule that we have, which is to start the program that is provide applications to property owners on -- starting in January, and post discounts to the -- to customer accounts after March 31st, as soon as the water bureau billing system is able to take the discount program. We also want the council to endorse the idea that we will apply retroactively discounts to January 1, so that we remain faithful to the original expectations that the council had in April, and customers had in April of receiving a financial benefit starting in January. So those are three very basic pieces that we would like to -- the council's concurrence on. We also -- we have, or are bringing to you a couple choices in terms of implementation, particularly of the single-family residential program. The bureau, in the last several months, has pulled together an interdisciplinary team of storm water experts, hydrologists, geologists,

soils people, to develop the program that we're proposing. It's a detailed program that's intended to link the storm water discounts to existing city policies and standards. And it comes -- it comes with that certain complexities. There are some advantages and disadvantages to the program that we're bringing forward that we think need to be discussed. As an alternative to the program we proposed, and commissioner Saltzman and Sten's request, we're bringing forward a second alternative that's more streamlined, more simplified approach that makes it easier for customers to access the incentive program. It provides a slightly less -- in my opinion, a slightly weakened link to existing city policies, environmental policies, but it does keep intact the notion that property owners should be recognized for work that they're doing on site to control storm water.

Katz: Stop right there. Is this the first or the second?

Vizzini: That is the first.

Katz: I don't have a second.

Vizzini: Yeah. You don't have a second because the second sort of has come about in the last several days. So --

Katz: Are you going to give us a sam will of what a second would look like?

Vizzini: I can walk through what it would look like, if you'd like. And i'll do that right now.

Hales: I'm not sure if i'm clear. Is the second a substitute or an optional alternative? In other words, are both tracts going to exist or --

Saltzman: A substitute.

Vizzini: It would be a substitute.

Saltzman: We would choose between alternative one or two.

Vizzini: The reason we'd like your input on this now is we're about ready to go into a legal administrative phase of building the forms and setting up the roles, and it's important to know which way we should go. But to answer mayor Katz's -- to answer your question directly, if you were to take the four-page form that we -- that this mock-up that we've been working on with various audiences, if you're to take that mock-up and eliminate from it the management actions section of the mock-up, and the tree section of the mock-up, what you would have is the most streamlined approach to -- for alternative two. We would also make some revisions to this -- the list of places where storm water -- where -- we asked people where storm water goes. We would modify that so there wouldn't be a distinction between dry wells and soakage trenches and other facilities on site. So we would simplified the two sections, the sections that have to do with roof areas and driveways, paved areas, we would eliminate the other sections of the form. And in doing that we would get to a smaller form, a shorter form, that would -- that would be more consistent with this alternative more streamlined approach.

Katz: Let me pursue this before you go on.

Vizzini: Sure.

Katz: Since we don't have it in front of us, it's going to be hard to compare, what are the policy implications between those two forms?

Vizzini: Well, the alternative one at its core, the intent of the bureau with alternative one was to move property owners, ratepayers, from where they are now, that is what is the current condition on their property, to some higher environmental standard. We have, for instance, the storm water manual does an excellent job right now of dealing with new construction and major retrofits of property, of bringing them up to a higher environmental standard. A standard that addresses both quantity and quality issues. The problem that we have is with existing developed property, we don't have a tool in place to move those properties from where they are right now to some higher environmental level that's anticipated in the clean river plan and our response to esa and our storm water permit, minis pal storm water permit. So the idea under alternative one was to set the bar high, the eligibility bar high, and require property owners to go beyond what they're doing right now to some -- to this higher environmental level that addresses both quality and quantity.

Katz: To get the discount.

Vizzini: In order to get the discount. The full discount. In case of the simplified approach, what we are saying is, we want to recognize what is in place, what people are doing right now on their property to control storm water, because that is the expectation that was given to them during rate reform. In other words, we -- there's a general expectation in the community that they will receive a full benefit for the conditions that they have on site that control storm water, and so it's a fairness issue in the case of the second alternative, that is, we want to make sure we're true to whatever expectation were developed during rate form. In the first instance it's an attempt to faithfully apply existing city policies and move people to a higher environmental standard.

Katz: So the part that you're -- you will be removing is the, I have planted or maintained trees, is that correct?

Vizzini: Yeah. If you're --

Katz: All of the storm water management actions.

Vizzini: Correct.

Katz: That you've adopted -- this is beyond what is currently on the property.

Vizzini: That's correct. Not only that, but within the components of the application that talk about the different ways you're dealing with water from your roof, and the different ways you're dealing with water from paved areas, you'll notice that we ask several questions about where the water is going. Well, under the -- this model here is based on the first alternative, which differentiates different types of ways you manage storm water on property based on their ability to control both quantity and quality. Under the streamlined approach, we wouldn't make those distinctions. All we really want to know under the streamlined approach is whether or not you have in place facilities that control the water on site. That is, are you preventing water from leaving your property and entering the public right of way, or a sewer, or a stream, or some other public facilities. So we would simplify the questions that are asked under roof areas, we'd simplify the questions asked under the paved areas. Under the second approach, because we really don't -- under the streamlined approach we're not so much interested in whether or not you're getting to quality as well as quantity, what we're interested in is, are you controlling water on site or not. We're simplifying the system for residential property owners.

Hales: If we could -- i'm concerned about that. Finish the presentation and --

Katz: He wants to -- a decision.

Hales: I'm troubled by that. Actually first if I could, just a quick courtesy, we have a visitor I want to introduce. Ken golden is here, a member of the madison, wisconsin, council, and he's here visiting Portland today, and he's a glutton for punishment because he decided to spend part of this beautiful morning listening to us deliberate. I want to welcome him here.

Katz: Say hello to the mayor.

Dan Golden, Madison, Wisconsin council member: Hello.

Hales: I certainly like the way you're going overall with this program, dan, I think you're doing a great job and I think this policy makes sense. I think simplicity is a virtue, but maybe it was accidental, but we just had this great presentation about native plants and how we're making a big commitment to that, and so we're going to take away the incentive for planting street trees? Ew.

Vizzini: I understand.

Hales: I'm certainly pulled in that direction, I love simplicity, but it's hard for me to accept the notion we're going to take away the incentive to use --

Sten: Dan, let me -- since I asked you to do this and you don't agree with it, let -- why don't I present the -- [laughter]

Hales: Asked him to do which?

Sten: I think alternative one is a terrific program. The program is it has absolutely nothing to do and was never mentioned in the multiple hearings I personally, commissioner Saltzman and I personally, and the five of us personally had with the hundreds of people who were discussing this. Most all of the elements that are being proposed in alternative one are new ideas. If people will recall, there's a huge amount of dispute in the community as to how much of your storm water fee goes to the roads and how much goes to your property. Most people who do not put water into our system do not believe that 35% is adequate. So they tend to believe -- there's a strong belief out there, and we're going to hear from representatives -- from a representative who is highly educated and has studied this, who reject our finding that 35% is adequate. I think we found some compromise at 35%. I would be the first to say that I don't think it's crystal clear to me, and I have studied this, that there's an exact number that's right. So to start with, we've got some agreement out in the community that we can live with the 35% discount. The council said at its hearings that -- and council members can correct me if I got this wrong and I'm misinterpreting what our vote was -- that it was our intention if you used -- if you do not put water into the sewer system from your property, that you would get that 35% discount. Alternative one would only give you 80% of that discount unless you do all sorts of other things. So now we're saying we didn't really mean it, what we meant was you can get 80% of 35%, I'm not that great at math, whatever that is, and if you do these other things you can get the discount we said you can have. If b.e.s. Was saying to me, you can get 35% plus another 5 if you do these extra things, I'd have zero problems with it, but I don't think it's consistent with what I understood myself to be telling these Portland -- east Portland particularly, but people throughout the region we were offering. So that's the problem I have with it, not the theory. Also, I think we need to be a little careful when we dramatically throw around incentives, when the incentive to do these things is 20% of a \$2 break. It's Friday cents we're talking about. So I don't think people are going to go out and radically take on these issues to save 40 or 50 cents a month. So I think we told people that it was 35%. I don't think that's a number that is indisputable. And then to go back and say, really it's 30%, I can't go there. It's not that I have any dispute with b.e.s. If b.e.s. Had brought this program forward to the hundreds of people who packed this room and said, here's what we propose to do, and we voted that through, I would be comfortable with it.

Saltzman: That makes --

Hales: That makes sense. Thank you.

Saltzman: Just to add to the clarification of the alternative one and two, both of these -- the simplification, the alternative two would only apply to the residential sector. We would still have the quality incentives for commercial and industrial.

Hales: Oh, really?

Saltzman: Yes. The monetary incentive to do the quality work is much higher in the commercial and industrial properties. So this is -- the simplification would only apply for residential properties.

Sten: What I guarantee, because I've talked with leaders on this in depth in the last couple weeks, is that lowering the amount we said we were going to give and raising the bar to get to that will not be considered an incentive. I see why it's called an incentive, but it will be considered a hold-up. An incentive would be, you can get a little more than we promised you if you do it.

Katz: Okay. Dan and then Jim. Did you want to respond to that?

Vizzini: I just wanted to respond to two things. The first is, in all of my discussions in the community meetings I held in February, March, and April, I consistently used the term "managing storm -- both the quantity and quality much storm water." I think you all heard that phrase. The second thing is -- I want to make, make it clear is that the incentive is significant, because this is a self-paying discount. So the difference between a property owner that receives no discount at all, or doesn't apply and one that receives 100% of the 35% is more like \$6, not 40 cents. So if I'm sitting on a property in east Portland and I have a dry well on site, whether it's alternative one or alternative two, my bill is going to be

somewhere between \$6 and 35 cents and maybe \$7 a month. If I sit on the exact same kind of property anywhere else in town and don't apply for the discount program, or don't qualify because i'm not managing the storm water on site, then i'm going to pay somewhere around \$12.25 to \$13 a month. And that's -- the reason for that is the full cost of providing the discount. Discounts that might exceed \$4 million a year is going to be borne by everyone who doesn't apply or doesn't receive it. So it's more than just a difference between the \$10 rate we have now and 6.35. It's a difference between 6.35 and something like 12.50, or 12.25.

Sten: That moves my 40 cents to 80 or 90 cents, not to six bucks. You're talking about 20% difference. You're going to give 80% --

Vizzini: Alternative one and two. The real difference between alternative one and alternative two is not money. It's whether or not we are going to have -- because the bar is set where it is, motivation to move people beyond where they are right now to a higher environmental standard. I agree with you that we did not specify -- when we say quantity and quality, we didn't have a detailed discussion about what that meant, and in going back to the bureau, it was -- we said, let's look at existing public policy that -- to guide that.

Sten: But you are one of very few people whose had substantially more conversations with citizens than I have in east Portland. Do you think it's reasonable to think that people thought if you are not -- if you have a dry well you're going to get a 35% discount? I think that's the expectation they left our hearing with.

Vizzini: That may be true.

Katz: Okay. Right now we want to get clarification.

Francesconi: A couple of things I need more information on. First, a general comment. Maybe i've been totally out of it, but this is no way to make public policy on such an important issue. So your request to me to give you guidance here today is something I can't do for a couple of reasons. And i'll get to those. The second point is, I do recall the issue of water quantity, and then we also said water quality. And that's about all we said. In all these discussions, there was the word "water quality." Not with these citizens, but the -- the problem is we never did define it at all. Not a bit. Not even a little bit. It just was in there. So now you're coming back, and I can understand why, with water quality, especially since we have no other way to at the moment effect existing development. So your intent is terrific, but the trade-off now, because we did represent these Portland -- to east Portland the 35%, is the decision the council has to make. We can't make it today for several reasons. One, has there been a public discussion of this issue? If so, i've missed it. On alternative one and alternative two. This is an issue that we need some public debate on, number 1. Number 2, I need to know the administrative costs of the difference between number 1 and number 2. Do you know?

Vizzini: The -- my estimate is that the administrative costs, not the costs of the discounts themselves, but administering the program, may be slightly higher, but insignificantly higher under alternative two for the simple fact it going to be a simpler form --

Francesconi: Alternative one. How much higher is that going to be?

Vizzini: Both of them are going to be until the three-quarters of a million dollars a year range to administer at least in the early years --

Francesconi: No significant difference.

Vizzini: Yeah.

Francesconi: How about the utilization rate? Do we know how much less people are going to utilize this because of the complexity?

Vizzini: We were estimating under the first alternative that we might get as much as 74, 75,000 applications with an average award in the 90% range. Under alternative two, we'll probably get maybe another 15 or 20,000 applications, and the average award will be closer to 95 to 100% range. So you

have two things going on. We'll have a hirer workload, it will be a simpler form under alternative two, and we'll spend -- and we'll have a higher rate impact because we'll be granting more of an award.

Francesconi: What's the number of people that will get the discount under number two versus number 1?

Vizzini: We're guessing at around 93 to 94,000.

Francesconi: More people?

Saltzman: Total.

Vizzini: Oh, the difference -- 20, 25,000.

Francesconi: 20 or 25,000 people. And how much difference on the rate impact? How much would that average per person be? That we would recover, or wouldn't recover under option one.

Saltzman: The discount is six bucks.

*******:** If you were to measure it from \$10, it would be -- if you were to measure 40 \$10, it would be about -- for a full benefit it would be about 3.65 a month savings from the \$10 -- current \$10 rate, and if -- for the full 35%. And if you were to get something less than that, let's say you were to get in the 85 to 90% range, then it would be, what, say like \$3, or --

Francesconi: So what's the difference between one and two on the total rate impact? On the total--

Vizzini: The person who's paying the full rate without any discount, we were estimating the monthly residential charge would go from the current \$10 to about \$12.25 under option one, and maybe as high as \$13.50 under option two. Because of the greater number of applications and the larger number of -- larger amount of award.

Sten: Can I ask a clarifying question?

Katz: Yeah.

Sten: I'm lost how you can get 25,000 more people figured out. Under option one you still get the discount for a dry well. It's just a smaller discount. Are you saying because the form is complicated, 25,000 less people would apply?

Vizzini: Yeah. Part of the calculus an individual would do is how accessible is this program to me. They'll get a number of pieces of information about the program, including the application, and they'll make a calculation in their head, is this worth my time or not. And a simplified form, we're expecting a larger number of applicants. Not necessarily from east Portland. We're expecting a larger number of applicants from elsewhere in town.

Sten: 25,000 people more wouldn't qualify because they qualified either way. We would make it simple, so 25,000 more people would sign up for something they were due.

Vizzini: Yes. Well, in the -- in the neighborhood meetings I held for instance on the west side of town, a frequent comment was, this isn't going to be worth the effort. Because of the small amount of money involved. Well, those folks didn't understand -- didn't understand both the fact that they were going to pay if they didn't do it at all, and the forms could be simple enough that they could just fill out a few pieces of information and send it in. So we may be very overly conservative in our estimates that another 20 to 25,000 will come in. But we do expect if the form is simple, one page or two pages, and the award is greater, we're going to get a larger response.

Katz: Let's --

Francesconi: One last question. Do we have any other incentives that can get at the residential redevelopment issue?

Vizzini: Within the cso area there is the downspout disconnect program that is an incentive for people to disconnect their downspouts and remove water from the cso system, and there are similar kinds of incentive programs on the commercial side that are being -- that are going operational this year. But other than that, we don't have incentives in place to -- that would move that population of developed properties that aren't going to be redeveloping or in construction.

Francesconi: The last thing is a comment. This is an initial reaction, because I didn't understand what commissioner Saltzman just said until just now. So we're going to treat the residential one way and the commercial a different way, and if I understood that comment, under -- and I don't think we ought to do that, because I think we told them both the same thing. That's my initial reaction. But again, I'm not going to make that decision today.

Saltzman: The final decision wouldn't be made until we come back in november.

Katz: He needs a little guidance. Do you want to add anything? What's your time? He's not finished, so what's your time schedule, representative merckley? I want to extend courtesies to you. Can you hang out a little bit? Okay. Dan, keep going. We just hit the first one.

Vizzini: Okay. I won't wait for this. So what we've done, just a recap, we have three decisions that are -- we're asking for. One has to do with the 35% limit, the other has to do with the timing and the third has to do with -- that is the timing of implementation, the third has to do with retroactivity. We have these options on the residential side. On the commercial side, we're not coming in with two options, we're coming in with the bureau's proposal that says on commercial, industrial, institutional and multifamily properties, you are held to the environmental standards of both quantity and quality. We've Oregonian through a very rigorous effort in the bureau based on the policies in the storm water manual to place a value on different facilities based on their ability to control both quantity and quality. So, for instance, a dry well under the commercial industrial program is only worth 60% because of its inability all by itself to control for pollutants. Now, a dry well in concert with a water quality device, which happens to be current storm water management requirement, you cannot build a new building today with a dry well alone without an intervening water quality device and get a permit from the city. So under the commercial program if you were to have a dry well and introduce a water quality device in front of it, you would get 100% percent of the credit, but under the program we have designed, if you have a dry well alone it's only worth 60%. What we have are five tiers of facilities in the commercial program, so it's more specific than the residential program anyway, and it's intended to move and it has the other aspects, it has the tree aspect and it has these other management actions aspects in the commercial program, similar to the residential program.

Katz: Do you have that form?

Vizzini: I don't have it with me. I can share it with you. All of these forms, I have to add, because of the additional time that we have to work on this program, these forms are being tested in the field. For instance, the residential form has been mailed out now to all the members of the storm water advisory committee, and the interested parties list of the storm water advisory committee. The purb and ad hoc committee of the purb have received the forms as well. I have about 100 randomly selected ratepayers who are also going to get the form to test out. And we'll do the same with commercial and industrial customers so that before this program goes live, these various application forms are going to be fully tested and revised properly -- probably several times over between now and january. Okay? But it's the basic information that we're looking for on the form that's important to us right now. Do we have that right?

Katz: Further questions? If not, dan, why don't you continue.

Vizzini: Sure. I don't have -- I don't have anything else at this point. I would be more than happy to answer additional detailed questions about what we're working on here.

Katz: Go back to that initial slide that you had.

Vizzini: Okay. Am I up? Okay. So if I was to -- let me go back one more. These recommended -- recommendations for decisions are pretty straightforward, and the question is, do you as a council feel comfortable moving ahead with these three decisions. In terms of the options that are before us for the residential program, you do -- you have two options. We can implement both -- we can implement either, and there are pluses and minuses associated with each of them. I do agree with commissioner Sten that we are bringing you a program that is more than simply a storm water discount. It is intended

to go beyond just the idea of giving a discount for what is going on on property. And if you think that we've gone too far, I understand that, and we will bear the program back according to the expectations you feel are -- that are out there in the community. In terms of the commercial industrial program, it is a more rigorous program. It was going to be a more rigorous program, whether you had various alternatives in the residential side or not. Simply because the payback we get on the commercial industrial side is so much greater, and the risks are so much greater. So -- and then we've shared -- i've shared with you, tried to share with you the cost aspects of this in terms of what the rate impacts will be. I don't have anything more to add at this point. I'd be more than happy -- at this point in terms of process, what this -- what we are doing is we'll continue to test the program in the community, and we'll come back in november with detailed administrative guidelines for the program, and the rate -- and an actual rate ordinance you'll have to approve to fund the program.

Francesconi: I only had two additional questions. One is really for you, the other may not be for you. The first is on the senior outreach, the low-income and senior outreach programs, I thought that we had given -- at least I had given more direction on this in terms of how to intensify those efforts and there was supposed to be a report back on efforts to explain the availability and increased awareness of what exists. What's the status of that?

Vizzini: I don't know the status. The low-income discount program is operated out of the water bureau, and the -- that was one of the directives in april to the water bureau to come back with information on how to expand the outreach of the low-income program. In terms of the storm water discount program, we will use elders in action and other community organizations to advertise and market this program so that we'll -- this isn't going to be like other programs, where the council passes it and it just exists in the code. We're going to be out there in the community marketing the program. So we're sensitive to your concerns about the -- about those populations, but in terms of the broader question of the low-income assistance program, that's for the water bureau to answer.

Francesconi: Maybe at some point we can get a report on those efforts.

Katz: Let me ask --

Saltzman: We can bring that back in november.

Katz: Let me ask another question in line with that. I'm a little uneasy, I don't yet see the big picture in terms of all the layers of discounts or incentives, okay? We know about the downspout disconnect, we know we have a senior and low-income, we know we'll have other incentives, and I don't understand how all of that is going to fit together. And to what extent we're going to confuse the ratepayers.

Vizzini: Okay.

Katz: Help me out a little bit.

Vizzini: Sure. I'll give you two examples. One is a homeowner in northeast Portland who happens to be in the cso program, and receives the downspout disconnect -- enters into the downspout disconnect program. In that case they remove the downspouts from the cso program and under that -- under that system and under that program they're given \$53 in cash per down spot that they safely disconnect. Once they do that, they'll qualify for the storm water discount under the clean river incentive program. So they'll receive, assuming that they've disconnected all of their roof drains and none -- let's say we do option two, they disconnect all of their roof drains and their driveway drains to their yard, not to the street, then they'll pay instead of \$10 a month or \$12 a month, they'll pay around \$6.35 -- \$6.40 for storm water. That's the homeowner. That's the extent of the incentives available to a homeowner.

Katz: Whoa. Senior low-income.

Vizzini: And then in terms of their total utility bill, if they are eligible under the low-income program, they -- their total utility bill will be reduced by essentially an amount that represents 30% of their bill.

Sten: And there's no senior discount.

Vizzini: There's no senior discount for storm water, just a low-income discount.

Katz: I'm combining water and sewer.

Vizzini: Yes. We're talking about the total utility bill.

Katz: One bill.

Vizzini: So for that property owner, if they're a low-income property owner eligible for the low-income program, they'll have \$53 in their pocket for every downspout they disconnect, they'll have a reduced storm water charge, and they'll have a 30% benefit reduction in their total utility bill. Okay? That's pretty significant. That's on top of the rate shift that occurred by moving fixed cost into variable costs, assuming they're low-water volume users. Okay?

Katz: And what other programs are envisioned in the next year or two?

Vizzini: Those are the only ones that i'm aware of through rate reform and the efforts that we've been working on in b.e.s. Now --

Sten: Can I make one related comment? I think it would make a lot of sense to revisit whether you should pay people \$53 per downspout if they're going to get \$6 a month. The whole 53 was predicated on the fact you weren't going to get any ongoing benefit for doing this, so it was almost an up front incentive. I don't think this -- I don't think anybody was promised you'd get it both ways. That was in lieu of a discount when we did not have a -- \$6 a month is a pretty aggressive incentive. I think we should consider not giving a double discount. Maybe you can pick one or the other. I don't know. I don't think you need to be paid twice to do it.

Vizzini: Right now they exist as separate entities, and we can deal with that in november, bring that back in november.

Katz: That was my next point. I wanted to see how all those kind of interrelate, and the point that commissioner Sten made was going to be the next question I was going to ask you. Okay.

Vizzini: Here's the other example, and it's the convention center. The new -- the extension of the convention center, negotiations or discussions between b.e.s. And metro have been around the idea of an ecoroof for the extension. Well, the ecoroof program in b.e.s. Has demonstration grant money available to property owners who attempt this -- these kinds of new technologies. So in the case of the convention center, they might be eligible for a grant, a demonstration grant, from b.e.s., From this pool of money that's been made available for these kinds of purposes, for the ecoroof, and then on top of that other on-site storm water management efforts that they undertake as a part of the design would in total be -- make them eligible for a reduction in their storm water charge under the clean river incentive program. So, again, what you have on the commercial industrial side is a smaller pool of incentives available, cash incentives available that exist independent of and in addition to the reduction in the ongoing reduction in a storm water bill that could occur.

Katz: Okay.

Francesconi: Now i've got to play the other side. So then we potentially could pay for the ecoroof, which would give --

Vizzini: We'd never pay for the -- the expense of an ecoroof is so substantial, and the grant is relatively -- it's only intended to try and work at the margins of the cost of the system.

Francesconi: I've heard \$225,000. Is that -- for --

Vizzini: In terms of the grant?

Francesconi: Yeah.

Vizzini: I'm not familiar --

Saltzman: We've made a commitment to look at a grant of up to \$200,000. So there hasn't been a final figure arrived at. A lot of the convention center expansion is sort of in a state of flux right now, so no final decisions have been made. Our commitment was up to 200,000, of which only a hundred thousand of that would come from the b.e.s. Incentive fund.

Vizzini: The real reasons for that incentive, because in the clean river plan, if we meet the goals of the clean river plan for removal water from the combined system, we reduced total capital costs of the cso program by \$70 million.

Francesconi: I understand. I just want those two benefits factored together, so there's not a double benefit.

Vizzini: I understand.

Francesconi: A double benefit available to some that then isn't available to others on the residential side.

Katz: Okay. Are we finished? At least for now.

Vizzini: At least for now.

Katz: Representative merckly, come up.

Francesconi: I have one other thing. This may be directed more to ofa. The other thing we did at the end was capped the utility franchise fee growth, as I understood it, and have that redirected towards low-income relief, and that was supposed to be, as I understood it, which I may have understood incorrectly, built into the forecast. What's the status of that?

Vizzini: I don't know the status of that. I remember that discussion, but I don't recall there was a resolution by council -- resolution that is a settling of -- on a final plan for that by this council.

Katz: Commissioner Sten did you want to respond?

Sten: We cut the franchise fee by a quarter point. That was it. There was other policy discussion about what to do or not, that lowers the general fund, but there wasn't any resolution.

Francesconi: I introduced it, so I have to look at it again. Then i'll send a copy to the council and to ofa. But i'd like a report back in november, at least, a discussion.

Sten: It didn't pass. We did a quarter point reduction and never landed on what to do after that. One option that's always before the council is to raise the amount of discount that low-income people get, and we did that three years ago, but we haven't done that again. So essentially the quarter point that's been saved is across the board in the ratepayers' pocket at this point, if we were to raise the low-income amount because of the burden, it would actually --

Vizzini: Be offset.

Sten: It would offset that amount. I think that's where it landed.

Katz: I have one additional question. You can't answer that. I need an answer. Is the water bureau going to be able to manage this by january 1?

Vizzini: No. The water -- the plan is for the water bureau's system to be ready by march and retroactively applied. We had discussions and feel that we have a strategy for dealing with retroactive adjustment to people's bills for the discount. And it's our -- we're working on this timetable that says march 31st is the go-live date for changes in the billing system. Those changes, by the way, will include property owner will see a detailed storm water bill that will show the on-site and off-site components of the cost and the discount. As well -- as well. So there will be several changes going on on the bill after march 31st.

Katz: Okay. Representative merckly?

*****: Don't go too far.

Vizzini: I won't.

*****: Thank you, madam mayor and commissioners. I feel --

Katz: Identify yourself for the record.

Jeff Merkley, State Representative, Distrit 16: Representative jeff merckly from east Portland. I feel a little handicapped because I don't have any handouts on the alternative that the bureau of environmental services is proposing, and I feel like everyone else in the audience doesn't have that material either in order to comment on it.

Francesconi: We don't either.

Merkley: That's what I understand. So i'm going to -- some of my remarks may be a bit off target, given what may be in that particular revision. I wanted to ask a question regarding that to start from dan, if he could clarify something for me. Is dan still here?

Vizzini: Yeah.

Merkley: Under the new alternative that you're going to present, if I have a dry well, will I qualify for the 35% deduction?

Saltzman: Yes.

Sten: Yes.

Merkley: Or are there other qualifications?

Vizzini: Under alternative two, we don't care what kind of facility you have on your site, all we would care about is the extent to which you're controlling the water on your site. So if you had a driveway, for instance, that sloped to the street and you weren't controlling the water off that driveway, it was running into the public right of way, you wouldn't get credit for the driveway, would you get credit for the roof drain that's run to your dry well. If your driveway was connected to the dry well, and your roof drains, then you'd get 100% of the 35% benefit.

Merkley: Thank you for that clarification. East Portlanders come to this with a bit of a chip on their shoulder because of the discussion during annexation of the eligibility for the hundred percent discount. Commissioner Sten is correct, not entirely persuaded about the 35%, but that is history. I would like to note, though, that in the resolution that was passed by this body, there was -- there were instructions to include a cost estimation of the savings to the utility of citizens providing on-site storm water fees. That was the independent report, and that estimate to my knowledge was not done. So understanding the value of on-site services to the savings of the city in having to provide the pipes and treatment, to provide storm water services to people in east county as instructed by this body, to my knowledge was not conducted, and I think if it was conducted, it would show that maybe a hundred percent discount is a big bargain to the people who have on-site facilities controlling their fees. But that's the history. I want to -- I think we're here to give practical input on the draft plan for implementing the 35% discount, and so I offer the following practical observations. The form is too long and complicated. Second, it frames the storm water discount program as an incentive program, and it uses that in its title, but the concept of incentive only applies to people having a choice of putting the water into the city system or putting -- or managing the water on site. It's completely appropriate term for that, for all of east Portland. This is a discount program is that recognizes that people don't have a choice but they are making a contribution on site. The third point is that this application has some very intimidating language. It says in the instructions that if you applied the monthly rate might actually go up from 6.50 to 12.50 per month. To quote the exact language, the incentive program replaces the current fixed residential charge of \$10.01 per month with a sliding scale of residential charges that range from 6.50 to 12.50 per month. If I was reading this, I don't know that i'd want to apply because the city is saying we might actually increase your charges per month if you apply to this program. My fourth comment is that it is a confusing array of incentives. I think that's been addressed enough, and so I won't go into it. Behind those incentives also, however, there are no clarifying details about how much you get under each piece. It's an overall, a simply -- tell us a lot about your trees and this and this is, what we'll calculate by rules that we're not going to disclose to you how much of the incentive or discount you'll receive. This just trust us attitude doesn't resonate well in east Portland. And finally, there is a legal clause on this application that hasn't been mentioned at all, so i'd like to pay particular attention to it. Let's see. Where did my application go? Here it is. This half-page form here. This form is fairly intimidating to individuals who read it. It says you -- assume complete responsibility for the safe and lawful meant of storm water run-off on my property. That may be fine. I'm not a lawyer, but don't I already have that responsibility? And if I don't, is this some new -- in other words, if there's a hundred hundred-year storm and the run-off from my property floods the neighbor's

basement, I do have a new obligation I don't already have? This clause raises those kinds of questions. It also later in this form says I grant the city of Portland access to my property for the purpose of confirming information provided. There's nothing that conscribes this right to access your property. Does this mean the city can come in my house? Can they come when i'm not there? Does this mean the city has access night and day? This is not a friendly legal form, and the concept of privacy and sense of personal property is certainly very strong in my part of the city.

Francesconi: he would have made a good lawyer. [laughter]

Merkley: I'm not sure that's a compliment.

Hales: From him it is. [laughter] from vera, well --

Merkley: Once when I was canvassing for a citizen cause I was told, well, I won't sign your petition, but you're such a good salesman i'd like you to sell insurance for me. I was equally uncertain as to the nature of that. Whether it was a compliment or not. In summary, the form as it stands is complicated, confusing and intimidating, and it compromises personal privacy and property rights. So I have a couple suggestions. First, and I think this has been reflected by the comments up here, stick to the primary issue, which is providing a discount to citizens not served by the city storm water services, either because that option doesn't exist or because they choose to manage their water on site, which is in fact a wonderful thing for everyone. Second, rewrite the application so that it is a compensation or a discount program as well as an incentive program, recognizing that folks don't have that choice. Third, try to address and make this legal form as minimal as necessary. And with thoughtfulness to the point of view of the citizen. Fourth, for those folks who do not have -- for those folks and residents who do not have the option, and this is really an idea i'd like to send into each of your hearts -- consider providing a discount whether or not people apply. If people don't have the option, if they are required by the legal structure of this city to not put their storm water into the city system, why not just say for those folks, for who we have not given that option, we'll give them a lesser discount, maybe 25% discount, if you apply, you can get up to the 35%. But -- and i'll come back to this in a minute. That is such a simple approach, that 25% would average out, maybe some people have big driveways and some have small driveways and some maybe a few people have clogged gutters and a few don't. A 25% would average out and it would be an incredibly simple process. Then for those folks who want to apply for -- the letter could -- the application could say if you don't have the option, and this could be mailed to only those people who don't have the option, it could say you can either simply accept it -- this 25% discounted or you can apply for 35% discount. In summary, I think it's important to adopt a service attitude. This application says that we are going to save money, we, the city, are going to save mine by making an unpleasant and difficult experience to apply for this program. And under a service attitude, the application process would be tailored towards a philosophy that says, we want everyone who provides on-site storm water sources to benefit from this. We're not simply going to put up hoops for people to jump through. I want to end by saying, this issue is a very difficult issue. We have an enormously huge challenge as a city solving our combined sewer overflow problem, and we're under federal mandate to do so and ethic call mandate to go so. It would have been easy for all of you to ignore this issue. And so I appreciate that you've undertaken it, and I hope we can make it through the last surge of completing this in a way that doesn't leave an unnecessarily bad taste in people's throats. Thank you very much.

Katz: Thank you.

Francesconi: Representative, that was great testimony. I did actually mean it as a compliment. I have one question. Before I do, your testimony was terrific. I don't know yet if I agree on the fourth point, but the idea that the primary purpose was a discount, the idea the form should more reflect it being a discount, the fact the form should be simpler and there should be a service attitude, those points I agree with. The idea of some kind of sliding discount to take into account the water quantity, but then also the water quality is something we should actually look at. It's whether it's automatic or

not i'm not sure. The question I want to ask you, on your first point you said that the primary purpose was water quantity. Which I already said I agreed with. Now, do you recall the discussions that I referred to earlier that water quality, although not defined, was also part of the discussion, although not with the intensity and perhaps not even recognized by most of these east Portland citizens. But can you go so far as to say water quality was a secondary objective of this -- of at least the bureau and the city's approach to this?

Merkley: There was virtually no discussion. None to my knowledge, of quality in the sense of private homeowners putting water into a storm -- on-site storm water dry well system. Quality came up in the following context. And that is that in calculating the amount of the discount, the bureau said, because of quality considerations, we believe that on-street water should weigh more heavily in calculating the 70/30 split, than residential water, which carries -- which according to the bureau, carries a heavier particulant load or certain types of particulants. In that way quality came into the conversation, but not in regard to the compensation on site by residential customers.

Francesconi: My recollection is actually different. But my recollection could be wrong. So we're going to have to check it.

Merkley: I would add that the concept of compensating people for growing big trees is a great one. Trees provide some storm water quality, though i'm not sure how that's related when water stays on site and percolates into the ground, and i'm not sure there is that much pollution or quality relationship in that text, although they also do this wonderful other effect of increasing oxygen and trapping carbon in a solid form and taking it out of the air and so on and so forth. I think an incentive for that that would have us all out there planting trees in our yards would be terrific. But I think it shouldn't be incorporated into this piece at this moment, given the history behind where we've been.

Katz: Okay. Thank you. All right. Public testimony.

Olson: We have two people signed up.

Katz: Before we do that, I need to hear from purb and urt. Purb and urt.

Doug Morgan, Chair, Public Utilities Review Board (PURB): Doug morgan, I chair the public utility review board. Let me start by express our appreciation for the opportunity to -- you've given us to track this issue over the last year and a half, particularly dealing with the implementation set of issues. There are four concerns we have. Before I go through and list those, let me just emphasize what is important in terms of basic agreement here. That purb wants to reinforce. First we started with a problem that was a chip on the shoulder of a good number of residents, and purb's concern is that that chip not be transferred on the shoulder of other citizens. So we argued strongly for a property based discount rather than a geographic-based. And that central principle is a principle terribly important to all of the stakeholders on purb and wish to kind of emphasize the importance of that fundamental policy principle to the discussion. Second, commissioner Sten's point about the upper limit on the discount, the 35%, there's no scientific magic in that. It's been negotiated. Purb wishes to endorse strongly the agreement that's been achieved. That represents a sense of fairness on the part of all of the stakeholders with respect to that 35%. Now, having said that, let me share with you unanimous kind of concerns that purb has about the implementation. First, is this an incentive program, or is this a discount program? Are we engaged in behavior modification? Or are we dealing with a chip on the shoulder? And using the discount to right a wrong, to deal with past sort of behavior that hasn't been adequately represented in the policy of the city. Purb's view on that unanimously is that this is a discount program. It's not an incentive program. Shouldn't be sold as an incentive program. The language in the ordinance oversells what this policy is intended to deal with in the first and primary instance. If this is to be an incentive program, which purb I think would strongly support, we would insist that we know beforehand what kind of behavior we are seeking to achieve, what the incentive will contribute to that. In sport, baseline data on where we are and where we would like to be with respect to the clean river objectives. There is no ounce of evidence in any of the policy stuff that's

been prepared that that information exists. Or is going to be used in monitoring the success of the program. And to the extent that that's not present, we assume it's confirming evidence that this is not about incentives. And a clean river initiative. It's about a discount program. And should be treated clearly and cleanly in that fashion. So that's the first piece of concern that purb has. Second, purb is not optimistic about the ability apro pro of mayor Katz's question about being able to implement this in march retroactive to january 1st. We reviewed the performance data that the latest available -- at our last meeting last week on implementing the information system, billing system, and there was not a single person convinced on the basis of that evidence that we should be operate misses tick about implementing this march 1st. That's the two cents worth of much of citizens. It's not based upon the kind of expertise council that you will get that's more up to date. But that's just a piece of advice concern we pass on. And it bears on kind of your -- the way you cast this and interact with the citizens in terms of their expectations. Which is an important concern that purb has. Third, keep the qualifications for this simple and clean. In the interest of citizen education, in the interest of administrative kind of oversight, keep it simple. Keep the range of options available relatively simple. Don't encumber this with lots of decision-tree matrix options that don't make the message really clear to the citizens. And fourth, keep it simple from an administrative point of view so we don't end up spending unnecessary amounts of money and implementing a program that's intended to be a simple fairness program to deal with the chip on the shoulder that purb believes justly needs to be dealt with. So those are our concerns. We have a copy of the report that the clerk will make available. Thank you very much.

Katz: Doug, thank you. We appreciate your work on this.

Dave Hasson, Office of Management and Finance (OMF) utilities review team: Dave hasen, utilities review team, office of management and finance. I just have a couple of remarks. We're supportive of the resolution before you. We think b.e.s. Is doing as the council directed it to do. Namely to develop an -- a discount program for on-site handling of storm water, and in particular to establish the maximum percentage of discount that would be offered. I have examined the independent consultant report that led to the 35% number. I believe it was approached reasonably, done in a professional manner, and supports the percentage that's before you. We like it, the approach, because it is generally a cost of service based approach. We're in favor of some sort of sliding scale approach where the sliding scale could be based on both quantity and/or quality. But part of our job is to raise issues for you to be aware of. One of those has been mentioned more than once, which is the billing system and whether it will be ready or not. It possible if the billing system is not ready by march there might have to be a greater retroactive period, whenever the bill system is ready. And I won't say anything more about that. The other issue, or item to be aware of is the administrative cost of the program. The administrative costs that have been estimated are \$800,000 the first year, and lesser amounts in subsequent years. Those estimates depend directly on assumptions regarding the number of applicants. I don't have any independent way to say whether their estimates are too high or too low, but there could be variations that are more or less than that. Also in that regard, with regard to administrative costs, the bureau has \$500,000 budgeted for this, and it indicates it will absorb the remaining \$300,000, or whatever the actual amount turns out to be. We haven't seen any listing much how they would absorb that or where cuts would occur to cover that extra money. We would recommend that such a listing or itemization be prepared for council's information and briefing no later than when you see the specifics of this program in november. Finally, I guess I would reiterate what doug just will to say about keeping the program simple. We think it's important that the public understand what's going on, and therefore it should be simple. It should be easy to apply for, as representative merckly spoke about. The form needs to be simple. We want to minimize those costs of implementation. We'd like it to be less than \$800,000 a year for the first year. And we think in terms of the approaches, the alternative one versus alternative two that was discussed earlier, we

thought the alternative two does represent a reasonable balance between the competing issues that are involved here. Those least three of the issues I can point to right off are cost impacts, rate impacts, one, environmental issues being two, and the third being the expectations that came out of the rate reform discussions that commissioner Sten articulated earlier.

Katz: Thank you. Questions? Okay. Thank you. Public testimony now?

Olson: Tom o'keefe and lisa glancey.

Katz: Okay. How many are here to testify on this item? Just of two of you? Okay.

Lise Glancy, Port of Portland: Good morning. I'm lease glancey with the port of Portland. We're here to talk about the rate discount. The port shares the concern of east county residents not discharging to the city's storm water system. We too were under the understanding we would be eligible for the full 35% discount. We also did not realize that today's vote would determine the approach to be used for the discount program. We thought that would occur at a later date and we're a little concerned about that. Under alternative one, which we just received a copy of august 31st, our preliminary estimate on our marine properties, that's would be -- what would be subject to this, would be eligible to 50 to 80% of this discount as opposed to the full 35%. Alternative two, although we appreciate the recognition of the east county concerns, that leaves our issues out of the mix. The impact of this on the port of Portland is just from a very rough estimate, is about \$200,000 annually to the marine budget, which provides market access to 570 businesses in the region. It also operates on the margin, unlike the airport where we have more revenue. But that's a closed financial system. And that's going to increase over time as we implemented the clean rivers program. There's a tripling of rates expected over the years. So we're quite concerned about that. We believe the port and other copermitees on the national pollutant discharge elimination system storm water permit shut have some special circumstances that ought to be considered in either alternative. We don't discharge the -- to the city system and the city does not incur costs from our properties. We again are copermittees. We have engineered solutions as well as green solutions. We have river revegetation, we've revegetated slews, but we also have piped solutions. Under the proposals it looks like the focus is on just green solutions. So the scale slides down. We ask these circumstances be considered as the city develops their clean river discount program. Alternative to appeals to us for the simplicity point of view and also the east county per speck sieve and we ask that you consider the port's special circumstances as part of that. For the record we're comfortable with the 35% discount, and the consultant's report on that. Thank you for the opportunity.

Katz: Thank you. Tom?

Tom O'Keefe, United Community Action Network: Tom O'Keefe, united community action effort. It's nice to see this application back again. 1992 is when the first application came around. It was one page. That's all it was. And it -- you could qualify 11,000 residents signed up at that time. The city tried to hide that application. I was up there in the b.e.s. Picking up 500 a week and walking up and down the streets and showing everybody how they were being overcharged. The city was hit up for a tune of about \$16 million based on a five-year period. Of course council immediately destroyed that application, because of lost revenue, grandfathered everybody in, allowed them to receive the discount at three years and put them back at 100% paying. So that's a little past history. Now the application is back, and there's talk about the 35%. I have concerns about that. The roads are considered 40% of the total impervious surface, with residential being about 60. The discount to me should be at 100% except for the impervious surface coming from the driveways. The way -- there's a lot of questions in here. What were if you have less than -- what about -- the rates are based on 2400 square feet. That is the average for residential property. And as you know, i'm in favor of pro rating all residential properties. The technology exists. Using digitized photos from metro, where your computers just talk to their computers. Commercial property is prorated. With the formulas that you're using, say, in residential, when these discounts become available to the people that aren't qualified, the third billings

would have to increase so you get the dollar per dollar, so it's a neutral revenue loss here. Their billings are going to go up. As high as it was mentioned earlier, as 13.50. When you calculate that in to what the residential compared to per square footage to commercial, you're going to find residential when it comes to square footage is going to be once again paying more than commercial. But yet higher toxic loads are coming from commercial properties than they are from people's roofs and driveways. In all other cities, they charge commercial property more than residential on storm water charges because of the toxic loads. If you remember when that application was first created in '92, at that time it was based on 1500 square feet. I complained for over a year, because commercial was paying 40% less than residential. Six months later they decided we'll juggle the numbers, and they moved it from 1500 to 2400 to bring those rates into party. But this will bring them out again, if you're going to penalize homeowners that aren't using the incentive program compared to the ones that are. Now, the ones -- when you're paying people \$53 to discount their downspouts, you already have a list of several thousand people that have already disconnected. So why should they even fill an application out? Just go right ahead and discount them off right now. Also, 800,000 to kick this program off, the application should be like the application in the past. It should be one page. And you just as well put it in your billing. Why put all this marketing time in? And distribution to -- they're going to have to call up, have one mail it out. You just as well stick the application right in the billing, and send them on off, because there's going to be thousands of people that are going to qualify for this. I think we need to -- the only fair system is to prorate everybody to the exact amount of the why should a homeowner who has only 1200 square feet out here in st. Johns or southeast Portland pay the same rate as somebody up here in the hills that has 5 or 6 or 7,000 square feet of hard surface? It does not make sense.

Katz: Thank you, tom. Questions?

O'Keefe: I wish I had another half an hour.

Katz: I know. I know this is a dear issue to you. Questions? I don't think so. I think we've worn out the council. We have a resolution in front of us. We don't have certain issues that we may want to have. The resolution basically directs the bureau to prepare something for us by a certain date. The problem I have, though, if we're not dealing with the quality issue, dan, we may have to make some changes to some of the language in the resolution when you talk about environmental education, for instance, economic incentives and then you talk about the quality. If we're going to go with the second application. So, council, what's your pleasure?

Saltzman: I guess we -- if there is a clear consensus, do we want to go with the second alternative, the simplified streamlined approach, then we could make those modifications and pass it on. If you still want more time, it's not necessarily imperative we pass a resolution today. I think we've gotten feedback from you, we've heard from the public. We can bring this back in november and hopefully have a good solid package for you to pass on then. But if there is a clear consensus to go with the second alternative for residential, we could modify this and pass it.

Francesconi: Here's what I think. I actually found representative merckly and especially the purb's testimony very powerful. Powerful enough that I want to thank commissioner Sten and commissioner Saltzman for going more toward resolution two. I think it's nice when you're doing and spending public dollars if you can accomplish more than one objective. Given the discount, and I think option one is actually better for the environment. In this case, even though we did mention water quality, the fact we never defined it and we're trying to load up so much on it as the purb was very powerful in their testimony, I think we need to go more towards option two. I think you were right. On the issue of the commercial side of this, however, and whether you should automatically treat them differently, I do remember the history of how this was processed with the commercial folks. And now all of a sudden if they're going to get less of a discount than the residential, I just think it's important, and they're there are powerful reasons to do it, but I want to make sure there's been adequate outreach to

folks and I know what the economic impact is, not just on the port, but other folks. We may find out there aren't many of those, but we're asking the port to do a lot on the environmental area. I am, others of the council are. It comes from that pot of money here, and so I just want that issue looked at on the commercial side. And i'm not ready to express an opinion on that before november.

Hales: I agree. I think you've persuaded me that the simplicity of this makes sense. I'd love to have incentives where we can provide them, but trying to load all of them on one small vehicle is probably not appropriate. Like jim, i'd like to see a little more discussion about the commercial option. But I don't think the resolution in front of us precludes us doing that.

Katz: It would have to -- I think it would have to be slightly cleaned up.

Saltzman: Did we prepare a substitute? I think we have a substitute.

Katz: The other issue is, i'm not sure with alternative two that it's an incentive program. So it needs to be changed.

Hales: The resolution is just a resolution. The ordinance will be where the policy --

Katz: The only words I was looking at, and maybe i'm in error, but it would be the further resolve that the city shall achieve the purpose and objectives of the clean river incentives program by providing environmental educational technical assistance and economic incentives to ratepayers who control and manage the quality and quantity, and you again reference the quality. I don't know if it's nit-picking or not, as long as there's an understanding here that this is not an issue anymore.

Vizzini: Right. Yeah. We were going to prepare a substitute, and then -- we came to the exact same conclusion, that if you wanted to be exact, all you needed to do is remove that clause that says "the quality and quantity." From that resolve. And you're done.

Katz: All right?

Sten: Two points. I think purb made a good point on the billing system. I have looked into this and -- in some detail. I'm reasonably confident we'll reach the march thirst. I don't see a huge down side. I think we're going to make it. If we don't, I think we would continue to say the discount takes place january 1st, and whenever we can implement it you'll get the full discount back to january 1st. So I think the reason we did the retroactive was the council's resolution last spring called for a january 1st discount. There will be no harm done to the person who applies if we can't make the computer deadline. And there will be no harm by the fact we already can't make the january 1st deadline in our estimation. So that's how I would recommend we approach it. January 1st regardless of when we get the computers up and running. I think we'll have a nice small psychological effect, which is you'll actually get a more noticeable discount the first time around. On the second one, i'm really, as -- I hope i'm clear, i'm behind the whole incentive approach, just not in this place. I want to challenge people a little bit on sort of the comment in this debate that we have no other way to innocent people to do these things, because I would make an argument that's part psychological and part substantive that a happy group of people who do have a chip on their shoulder, and I think rightfully because their storm water system does not follow cost of service principles, up until we put this discount in place, will be much more likely to engage with us on proactive measures than if we get in a fight with them over 50 cents to a dollar that they thought they were getting. I think every time somebody signs up for this program they ought to get back a super friendly packet that explains the quality issues, they ought to -- we should try to see if friends of trees will try to coordinate their spring plantings in the areas where we expect people to do this. We ought to try and engage our donations and -- and contributions we're making to friends of trees anyway to say if -- could we highlight people who signed up for this program and go plant -- I think we have an opportunity to bridge the divide, which is awfully deep, if anybody's been at those hearings between citizens who feel they're being overcharged, and the city of Portland, and I think as part of that we ought to address the quality issue. I want to challenge us to think a little bit bigger and not fall on the argument that unless they get another 20% or somehow get dinged for not doing the water quality we've lost our opportunity to get into the water quality. I think

the good feeling this brings opens the door. If you want to have a conversation about these issues, you can't get there because you're going to talk about storm water fees. Maybe we can put that behind us and start talking about these issues, so I want to challenge you to keep pushing in the directions you're pushing even if we go with alternative two, which is my preference.

Katz: Okay.

Saltzman: I was going to propose we modify the resolution. First, whenever it says clean river incentives program, we add ask and discount program. And we also remove the words the quality and quantity of, in the --

Vizzini: I think it's the --

Saltzman: Third further result.

Vizzini: It's in two places.

Katz: They're in two places.

Vizzini: Further resolve, and then the --

Saltzman: Oh, yeah.

Katz: And the rationale, commissioner Saltzman is using is there may be some incentive programs with the industrial --

Saltzman: It still is an incentive program right now at least for the commercial industrial side. So, yes, to re -- I guess in two places --

Katz: Council, okay? Everybody is -- all right. We'll adopt that. And dan, thank you for your presentation for your work.

Vizzini: I got the direction I needed. Thanks a lot.

Katz: The only thing I do want is when you bring it all back, I want -- we want to see the budget, and we want to see -- if it is 800,000, what programs are you planning to reduce. Okay?

Vizzini: That's good. Thanks a lot.

Katz: All right. Thank you, everybody. 1372.

Item 1372.

Katz: Mr. Russell, why don't you come back -- come up. It is my pleasure to present the appointment to mr. John russell. John has had an extensive dedication to public service. We just -- let me just pull out your resume here, john, just for a second.

Hales: It's that really thick document.

*****: I know it by heart. At least the present service that john is providing.

Katz: The present service that john is providing is on the transportation commission. He has been innovative on the planning commission, he has shared with me his vision for the city, and all the things that he had done during the time that he made a commitment to provide that kind of service to the city of Portland. And john, why don't you go ahead and introduce yourself -- here it is. Hold on. Hold on. You all know his president of the russell development company, he has an mba in harvard graduate school of business administration. He's a member of the state Oregon transportation commission, he's on the governor's blue ribbon task force of the willamette valley livability council. He chairs the mayor's business round table. He chaired the city of Portland economic development policy implementation project team, and so forth. He was a member of the planning commission. In fact he was vice-president of the planning commission, and he was a member of the historic landmark commission, and he will add those qualities and that history to the Portland development commission. So the mike is yours.

John Wright Russell, Portland Development Commission: Thank you, madam mayor, members of council. That actually is one of the reasons i'm so excited about serving on the development commission, because in the course of 30 years i've been active in so many different parts of the city that I feel I can act as a bridge to the parts of the city that the development commission needs to work closely with. Just to elaborate a bit on those, during my time on the planning commission this was the

time whether we did the comprehensive plan. The first comprehensive plan for the city, a very tough time. I championed the idea of downtown design review. When I was on the landmark commission in the early 70s, championing the idea of the historic property tax freeze and we got that passed in Salem, and I actually was part of the wonderful process used to select Gill Kelley in the planning bureau. I've been on the Oregon transportation commission for four years, and have -- the learning curve on how you fund transportation continues to be steep, believe me, and I've had the pleasure of chairing a group that's a subcommittee of the Write and Ryan transportation summit group, and our group met for its last time yesterday and will come up with I think half a dozen very bold ways that you could fund transportation for this region. For years I chaired the group called the Friends of Portland Parks. I did some of the heavy lifting with the fire bureau bond measure and cochaired the ten-year commitment that Commissioner Francesconi has extracted of the group that supervisors the construction of the proceeds of those bond measures. And lastly, in the course of 30 years and \$250 million worth of development in the city of Portland, have worked very closely with the permit center and the -- in the various bureaus that are represented, and have, I think, a good understanding of the complexity of their lives in dealing with development issues.

Katz: And for all those reasons, that's why you're here. [laughter] Thank you.

Francesconi: Maybe one. Maybe -- at least one. Back -- I guess one thing you didn't mention, which I wanted to thank you for, we've been having a series of discussions that you've helped lead with some of the leaders in the African-American business community that have felt excluded from this. You've been very patient in listening through those discussions, and you've been trying to do some things to help. Do you have some thoughts about economic development, job opportunities, kind of in minority communities and northeast Portland and outer southeast Portland and how you would approach this from your new spot on the Portland development commission?

Russell: Well, it's a tough question. I think the traditional way that the development commission staff is evaluated depends on increasing the value of property in an urban renewal area. So it's almost a personal benchmark. I think when you're looking at dealing with the negative aspects of gentrification, you have to change the measuring stick, I think a bit. You have to give credit for ownership by residents of both their homes and businesses. And if you do that, you probably won't achieve the financial gains that you've set out to do, but the development commission staff needs to know that that's one of the ways that they'll be measured. So you -- gentrification is almost always good, you just need to work very hard to eliminate the negative consequences of that. Does that answer your question?

Francesconi: My last question, you referred to your inside connections. How about your outside connection was environmental groups, et cetera, to help bridge some of those divides?

Russell: Well, I'm on the board -- executive committee of the board of Portland Chamber, which as you know has been a very -- the progressive business group in the state. I was on the board of Thousand Friends of Oregon, and continue to be heavily involved with them. I chaired for Diana Snowden the excess properties group that worked with the school district to identify the property that could be sold. And worked with the city on how a lot of those converted into parks. Except last week in a grueling bicycle cycle Oregon thing with Denny West of the housing bureau and got an earful from him. Was asked --

Hales: Who was grueling, Denny or --

Russell: It was a close call, believe me. [laughter] Most of the time he was breathless, as was I. And have worked closely with Mike Burton, who was asked by him to chair -- to head a small group that looked at what he would want to accomplish during his term. Anyway, I just think I've touched a lot of different parts of this city from environmental groups to business groups, and kind of -- can offer those contacts really and that experience in my time on the commission.

Katz: Thank you. Roll call.

Francesconi: It's a terrific appointment, mayor, and I don't know what role at the leash a played, if any, but it will be great to you -- to have you. We had more plans for you in terms of fire and parks, though. There are enormous challenges. I guess how do we connect to this regional economy, and what's the pdc commission's role in that? How do we relate to higher ed or just -- I look forward to working with you. Thank you. Aye.

Hales: I probably can't be effusive enough, mayor, in praising this appointment. I think this is a stellar appointment, and john, i'm glad you're willing to take this on, and I think it's a great move on your part, vera, to bring him on board. Two reasons I think your expertise will be in particular important, while we're sitting here just about while we're sitting here the secretary is signing the grant agreement for interstate avenue max. The construction workers are fin finishing the airport light rail construction and the streetcar. I can't think of a time when transportation and urban development have been more closely linked, and to have you there at felicia's side planning pdc's efforts in the west end along the line of the first line of the streetcar and others, and to maximize the opportunities that -- at the airport and interstate avenue, that's going to be great. It's obviously something you care a lot about. Secondly, john's been -- one thing yes didn't talk about, you've been a real force for good design in Portland, and although i'm very proud of the work that felicia is doing, I think she and her team are doing a great job, we ought to fess up in the rush of business we've built some mediocre buildings, and you never built a mediocre one. In fact you've taken some of those and made them great. And we need to do a better job in pdc-sponsored projects in making sure we're building 1-year buildings that look like they'll last that -- last that long, and your design -- 100-year buildings -- and your design will be a welcome ingredient as well. Those -- for those two particular reasons I think you're absolutely the right person. Aye.

Saltzman: I want to thank you for all of your past contributions to our community, to our city, and to our state, and thank you in advance for your future contributions as a pdc commissioner. Aye.

Sten: John, i'm glad you want to do this. I was excited to hear that you're ready to take this on. I'm really looking forward to working with you. Thanks, mayor Katz, for appointing him. Aye.

Katz: John, congratulations, and commissioner Hales, you're -- really, those were the main two reasons. I knew john's role in design, i've already shared with felicia my unhappiness about some of the buildings that have been put up and basically said, they're not going to be built if they're not going to be designed for this city. And I know that you will play a role in helping felicia and the commission understand that. Fell eastern a understands that now, but maybe the commission needs a little bit more help. Thank you. Aye. Okay. 1373.

Katz: Congratulations.

Item 1373.

Saltzman: This is a -- an opportunity for the members who represent the city of Portland on the noise abatement advisory committee to the port to come to us and talk to us about issues, concerns, and I think in the original resolution that established our appointments to this committee, we called for them to come to us periodically and provide us with updates, and this is really the opportunity to have one of those updates, and we'd like to schedule these as there is a lot going on with respect to the airport port development, new master plans, and we think it would be incumbent upon us to hear from this group maybe every quarter or every four months.

Katz: Are these the three people --

Saltzman: Yes. Irwin bergman, brian and gary.

Katz: Who wants to start? Go ahead. Introduce yourself. Keep it relatively short, but i'm not going to hold you to three minutes.

***** **Bergman, Citizens Noise Advisory Committee (CNAC):** My name is irvin bergman. Since it's the first report on activities, I kneel that it's quite helpful to basically kind of shed a little light on what cnac is and what it does. Since we are hurting for time, forgive me for reading my spot here. I

have lived approximately one mile from the pdx terminal for 30 years. I have witnessed pdx's goals and the gradual decline of mine and my neighbors' quality of life from the noise emanating from the operations around the clock at pdx. What is a good night's sleep worth? What is a loss of enjoyment of your home worth? How about the reduced market value of your home once you decide to flee from the onslaught of noise that you no longer can tolerate and try to sell your home? And find no one except at a greatly reduced price. Business and commerce are pushing for growth, and obviously pdx is responding to those demands. If I and cnac are not an advocate for severely noise effective -- citizens, who will? No. Our goal is not to shut down pdx, only to bring to balance and put the price into perspective. That is what cnac is all about. The faa and -- encourage effective airport communities to make their needs known to the responsible airport authorities. Cnac is doing exactly that. Of the two options to mitigate adverse noise impact, namely source and receiver control, cnac clearly favors the control of noise at the source. Relocating people is extremely disturbing and painful. Noise insulating homes is -- has shortcomings. It does nothing about your life and activities outdoors on your property. I have been a member of cnac and its predecessor, the nac for about six years and head up the working group on engine run-ups at this time. One myth I would like to dispel is that we cannot do anything about air commerce noise because it's controlled by the federal government and any efforts to curtail it is preempted by federal law. This is not true. We can do something about it. Not everything, but plenty if we educate or selves and do not act timidly. Now, to cnac's accomplishments and ongoing and future efforts. An enclosure is being built. About 270-foot, 7 million plus structure when completed in the spring of 2001 will muffle engine run-up noise and bring pdx into state noise compliance. A two-year evaluation will follow and citizens will judge the performance and could require additional control measures in case of poor performance. I do take full credit for this accomplishment, culminating five years of my hard work. Other ongoing efforts are flight routing, rerouting of box haulers over Portland being negotiated right now by cnac. Some level of nighttime restrictions for at least noisier states to jets are being discussed also. Other activities will be identified by my associates gary and brian. What it would be like from the city counsel, we would like your support. Cnac wants the city to flourish, not just grow. The want -- we want you not to allow the port to create an airport zone and instead have the port pursue a renewal of its conditional use permit. All future control over pdx would be lost otherwise. As part of the conditional use permit as point three, you should require pdx to comply with all requirements of nepa in the master plan expansion planning process so as to be complying. This would be beneficial not just to Portland, but serve the entire region. Please note the general accounting report that underlines operators' extensive ignorance of nepa requirements for airport expansion requirements. Pdx is no expansion. They also emphasize a significant concern that people have about airport noise. Thank you very much.

Hales: Thank you.

Gary Coons, CNAC: I'm gary kuntz. Thank you for inviting us down here. Mayor Katz, when you come back, thank you for appointing me to be on the cnac. I want to tell you that I live in the east columbia and west of the airport. I consider myself an advocate for all of Portland, not just the airport -- not just the neighbors to the west. As part of that advocacy -- in part -- in my role in that, excuse me, i've had conversations with citizens throughout the community, i've had lunch with a concern the citizen from a different neighborhood. I am trying to represent the entire city. I'm committed to not dumping noise and problems from my neighborhood onto another neighborhood that's less represented on the cnac. I'm pushing for win-win solutions. The process we use at cnac is the whole monthly commit meetings, break into subcommittees, then work on our lunch hours and evenings or weekends trying to identify problems and come up with solutions. It takes a lot of time and a lot of work. When we started this cnac process, I would characterize things -- the port said our hands are tied. We can do nothing. The faa shrugged and said, we're here to provide safety and efficient operation of the air space. End of story. And the airlines weren't saying much. They said we're protected by federal

statute. Leave us alone. We have made some good inroads. We're building trust, we're building respect. We've got some specific things done. We got the gre, urban worked on -- irwin worked on. We changed the departure route of the military transports. It took five years, but the solution came about very quickly when we discovered they would start their take-off from the center of the runway, leaving a mile of runway behind them. We asked they move to the other end of the runway, take off from there, and they gained a lot of air space before they crossed the neighborhoods. That had zero operational impact on their operations. That was the words of their kernel. We've -- could nell. We've also got -- colonel. We had a letter written to the faa supporting stricter standards to be developed for the stage four aircraft. Those standards are being developed and should be decided upon in january of next year. We the cnac also came together and wrote a letter to jane garvey asking for support of high standards for the new aircraft, for phase-out of the older noisy aircraft, for help with small airplanes bothering our community, and we asked that she clean up confusion involving the faa planning process. I believe there's a role for council in this. I would encourage you folks to meet with new faa manager out of Portland tower. His name is ray ballentine. Now would be a good time to establish some rapport and say, we're a city, we want to work with you. We don't want to oppose you. We're going to have a new executive director at the port of Portland when mike thorne lives. Now would be a good time to meet with the new executive director and say, let's work together. Let's build some bridges. I would ask you to advocate for a balanced transportation system. A strong airport, a strong air transportation, is an absolute part of the mix. It not the most important part. It's one of i'd say three. We need a strong air system, we need a strong rail system, we need a strong highway system that doesn't get congested and come to a standstill three times a day. And I would ask you provide direction to us members of the cnac that represent the city. Thank you.

Saltzman: Thank you. Brian?

Brian Jenkin, CNAC: Good morning. My name is brian jenkin, and I live in east county. I've been on the cnac now for almost two years. What i'd like to start with is to give you an idea of -- as gary and irwin have testified, the cnac has done some things and has made some progress, but the cnac is limited. First of all, by the fact everybody on the cnac, we're volunteers, nonprofessionals, and we are asked to look at very complex issues in terms of technical complexity, legal complexity, and so it's very difficult for us to move at a very rapid pace, because of what we're looking at. Another thing is that noise abatement within the system, the system being the port, the faa, and the airlines, is pretty much at the bottom rung of all the other operational priorities. So it's hard to come up with noise procedures that can compete with all those -- those abatement procedures that can compete with other things. The port is a bureaucracy and there is a certain way of doing things, and it's hard sometimes to overcome that. And so you have to realize that the cnac can only do so much. We are not going to be able to fully represent the interests of the neighborhoods, and fully do what is needed in the neighborhoods for livability. So there's clearly a need for leadership from the city of Portland in that area. Given current operations and particularly when we look at future expansion and operations, we're already seeing the opposing interest developing, we're seeing the animosity and the chasm developing between the economic interests and the so-called environmental interests of the city. We believe the city has clearly shown its leadership on the side of economic development, and on its -- side of international status of the city. And that's exactly what the city should be doing. But it also should be visible on the other side of the equation and should be providing leadership for neighborhood livability as the expansion takes place. You've already taken a good step by -- a good first step by supporting the so-called airport issues round table. Providing facilities and some staff support to that, and that's good. I'd like to stress in case you don't know what iar is, it's not -- it is a citizen group organized under office of neighborhood involvement, specifically to address airport issues. And it is not a duplicate of the cnac, as some court officials might want you to believe. And the difference is because it's part of -- it provides a true voice for the grass-roots concerns of the

neighborhoods, and because it's independent of the port, we feel it provides a real vehicle for seeking changes at all legislative levels, city, state, and federal. In fact, right now two of our -- two of the members are meeting at Earl Blumenauer's office as we speak. So that's a good first step. Air. We think there's other things the city could be doing with respect to current operations. Right now the noise ordinance is being overhauled, and there's no better time than to look at the role of the city noise office with respect to aviation noise. Of all noise sources, air traffic noise is clearly one of the most detrimental to urban livability, and we've seen that in the year and a half that I've been on the cnac, we see residents come and they're not just a bunch of mall contents from east county. We see residents from all over the city complaining about aircraft noise. And then the report that you have on your -- that has been passed out to you also emphasizes that noise is the number 1 environmental issue that airports have to deal with. So it's clearly a problem for a -- for city urban livability. There are cities that monitor aircraft noise independently of the airport monitoring systems in those cities, and we feel even without -- even though the city may not have enforcement authority over the airport, there would be real value in setting up a monitoring system that provides data which would give us some idea of what the impact is, how it's changing, whether it's getting worse or better, and also give us some idea what the validity of the so-called -- the faa part 150 noise program is. That's the official declaration by the faa as to what the impact really is, and a lot of us feel like it really doesn't represent the real impact. So it would be nice -- we don't have any real data. It would be nice -- we argue that back and forth, but there's no real data. So we feel that's one area that the city ought to take a real close look at in being involved in. The other area of course is future expansion. We all know the port has done a really good job of planning for what -- for airport expansion. They've got volumes of information they can tell you exactly in detail what the airport is going to look like in 15 to 20 years. What's it going to look like on this side of the fence? Where is the planning -- what plan assisting being done by the city in order to parallel and to show how we're going to deal with the very certain impact that expansion is going to have? What we see now is a lot of infilling, and densification of the areas not only under existing low-level flight paths, but also under what will be the third runway. The way it's going now, what we see is we're just heading towards a major land use conflict as we move towards -- as the expansion takes place. So we feel the city must take leadership in aggressive -- and aggressive planning effort to ensure neighborhood livability. It's not the responsibility of the faa, the court, not the airlines, livability of Portland neighborhoods is the responsibility of the city of Portland. And there is a model for this. I don't know if you're aware of the so-called airport cities coalition. They're a group of cities that surround sea-tac airport and they have organized and are providing leadership to neighborhoods in those areas in the face of sea-tac expansion. And I'd like to emphasize the time for the city to act is now. The port plan calls for 15 to 20 years out before this runway may even be built, but we feel that given the current capacity crises of the system, and given things we -- committee meeting just recently, senate committee on transportation meeting with department of transportation, basically transportation said, hey. These cities that are opposing airport expansion, they got to expand now. Damn the citizen concern. Get those airports expanded so we can take care of the capacity problem. So we feel there's going to be more of a push from the federal level to push expansion programs. And another point is the Portland -- port 150 noise plan that was done for pdx is going to be updated next year. This is a plan that has a five-year shelf life, yet it will include the third runway, and -- in the noise model. So there's lots of reason we think to believe this expansion is going to happen faster than some of us think. I guess in concluding what I'd like to say, the choice is not between the airport and the environment. It's between bad planning and good planning. That really is your choice. That's all we can say. With that I'd like to invite any questions or -- again, we feel like we act on your behalf, so if you have any instructions or advice as to how cnac goes, we'd appreciate it.

Saltzman: I also wanted to point out, it's very timely we're having the briefing today, because tonight is the first meeting of our newly appointed noise ordinance task force. Any questions for our members on the community noise advisory committee?

Hales: Just comments. I can save them for when we vote on the report.

Saltzman: Well, I guess we do need to accept the report. We'll get a motion to accept the report.

Hales: So moved.

Saltzman: Okay. Please call roll.

Francesconi: Just by -- a friend of mine had a memorial golf tournament in his memory at Columbia - at Coalwood on Sunday. It was about 7:45, and I was shocked by the -- I think it was the military jets taking off. I was actually -- I don't live there, so it -- distracting a drive is one thing, living there is something else. I can understand that. You have a tough duty. You referred to it, a strong airport, strong rail systems, strong highway systems, also critical to our city. I'm not sure what your charge is, you know, if it's focused on livability only, or if it takes into account these other factors. You do have a tough charge, and it's important that the livability be considered as we're considering these other issues. That are also important. Maybe rather than do it now I can just learn more. Aye.

Hales: I just want to thank you for asking important questions. You've done that here today in your presentation, in a real -- really thoughtful and balanced way. I think that's exactly what needs to happen. I think your last point about the locust of concern about livability has to be here in the city. I think you're right about that. We have a good working relationship with the port. That is as it should be, but dealing with these conflicts and side effects, you're right, that's our job, and the noise ordinance is one place. An interesting background to our discussion today, noise is all around us. Thanks for good work. Aye.

Saltzman: I also want to thank you for your good work. Thank you for broadening this update. I'm assuming the part 150 noise plan update is something that CNAC will be very much in the middle of.

*****: We will be.

Saltzman: We'll be relying on you for guidance. If you need us to weigh in as a city on particular issues, you can contact us or we'll see you at your next briefing. Good work. Aye.

Sten: I thank you as well. This is a tough committee to sit on. I don't envy you this task. I would like to engage with these things, and I hope you'll keep bringing them back. You spoke at several occasions about the conflict between economic expansion and environmental protection, and I think the history of the state is fairly clear that we've always erred on the side of economic expansion, but I think that's beginning to change, and I think the real change is to survive in the future they have to be the same plan. We have to come up with a plan that works economically and environmentally and if we continue to make the argument we can't afford not to do this, or we can't afford to do this because of the environment, either way it just isn't going to work. So I think if we can come up with a master plan, earlier today we had a great presentation on the work that's going on to revegetate the Columbia slough, and the port has been a real partner in that. It took a while for us to figure out that this wasn't so much a problem that we both had, although it certainly was, we were dumping sewage and they were dumping deicing material, but it was an opportunity to get it fixed. It looks to me like the slew can cohabitate just fine with the industrial uses, and I expect we're going to see lots of -- we had eagles coming out there even when it was a says pool. Imagine what will happen when we get it right. This one is probably harder in the slew. I have to believe there's a way to bring the economy and the environment together. The key piece of the environment in this case is the maintenance. So I really appreciate what you're doing. I wish I had a quick answer to that, but you have I think our support. And let's see what we, do. Aye.

Hales: Thank you --

Item 1391.

Saltzman: Thank you very much. 1391. Is that where we are?

Olson: There's been a request to show if for no further consideration. To put this aside for no further consideration.

Saltzman: Okay. Do we need to vote on that? Okay. 1391 is put aside. 1392.

Hales: Do you want us to do both of these at once?

Saltzman: 1393 as well?

Hales: Yes.

Items 1392 and 1393.

Laurel Butman, Urban Services, OMF: Thank you for staying past the noon hour to do this. I know there's some people in the audience that are ready to tough. I'm with the urban services program. Office of management and finance. We're here to consider today to -- two annexation proposals initialed by owners. Ken martin is here and he's going to give the staff report from metro.

Kevin Martin, Planning Bureau: I'm ken martin, your contract employee on annexations. On a-2-00, this is a .8 acre piece of property, happens to be located in clackamas county. Sit within the urban planning area and within your urban services boundary. It was included in your outer southeast community plan, and therefore it has an automatic conversion to city zoning upon annexation. It will convert to an r-7 zone. The criteria in the metro code which you're required to follow has been met. That's how -- outlined in the staff report and we would recommend approval on this proposal.

Hales: What about the other one?

Martin: A-3 is a 10.32 acre piece located on barbur welch road in Multnomah county. Again, this is asking for city services to facilitate ultimate development. It's within your urban services boundary within your urban planning area. It was also included in the outer city plan and will receive an r-10 plan. It also has met the criteria outlined in the metro code. We understand there may be some traffic issues raised on this. This was covered briefly in the report, but we feel that that -- the detailed traffic issues are appropriately dealt with at the development review stage rather than at the annexation stage. And we also recommend approval of this.

Hales:

Saltzman: Okay. Do we have questions of -- do we have people here to testify?

Olson: Yes.

Saltzman: Okay. Thanks.

Paul Grossjean, Pleasant Valley Neighborhood Assn. (PVNA): This will be brief.

Saltzman: Are you speaking in regard to 1391 or 1392 parcel?

Grossjean: Barbur welch. 1392. My name is paul, i'm here as a board member of the pleasant valley neighborhood association, and as a resident of hawthorne ridge, the development that's at the core of this hill. I'll be brief, but we must visit the issue of the adjoining properties. The proposed annexation of this property referred to as barbur welch shall harkens back to the city council meeting in january much 2000. When you first saw this map. At that meeting you heard of the overdevelopment of the hill known as hawthorne ridge, or lexington hills. To review, the original development of what was known as lexington hills consisted of 297 home sites. When that project was approved, and as stated at the previous city council hearing, city planners identified severe traffic problems caused by the development. Particular focus was on the intersection of 162nd and foster, and the foster corridor as well as henderson way. Our internal core street. Foster as you know is a dark and winding road and provides the only access to this development. As you well know, the intersection of 162nd and foster is scheduled for a rebuild next year funded in part by the homeowner and developer funds. According to city traffic planners, the original 297 homes on this hill would stretch this intersection even after revisions, and result in a derating. That's what 297 homes would do. Since that time, four other developments have already been approved on this hill, and -- emerald crest with 28, emerald view with 23, macgregor heights with 104, and the property discussed at the january meeting with 33, bringing the total to 485 homes. When this information was presented to you at the

january city council meeting, you rightfully recognized this hill was being developed without adequate controls, you launched a traffic study, and posed a de facto embargo on further development. Since that time, another development totalling 87 homes has added their plans to the hat and are in the approval process, and the development of this -- the development proposed for this annexation adds another 45 home sites. There are no new roads, there are no alternative accesses, there is no replacement to henderson way, as the only and I repeat the only access to homes which will now total over 600. This hill is inadequately served by access and internal flow roads. We have created a terrible situation for existing homes, let alone new homes. Please remember that henderson way, the core residential street, is a narrow road, 26 feet wide at most, with blind curves and a grade of 15% with facing homes occupied by many children and it is the only access to the hill. One road, 600 homes, and an estimate of possibly 6,000 trips a day. The response of the transportation department to this annexation seems a bit timid, but does note the need for additional streets and the possible extension of 1 hundred 52nd to barbur welch. Which is currently a private road and could be closed without notice. They also noted the increase demands on the foster and barbur welch intersections, which are already beyond capacity. Another important factor lightly treated in staff reports is that this property is sloped in its entirety and is directly adjacent to mitchell creek, a feeder creek for both kelly and johnson creek. The environmental concerns and the lack of established rules for setbacks from sensitive waterways must create close scrutiny in this annexation as well as zoning and road construction issues. I can also personally testify that this sensitive area is a natural habitat for deer, elk, racoon, and many other species, and that habitat will be increasingly in danger. I was more than impressed by your reception at the january city council meeting when I was last here. You got the message. You sent staff to the field to study the issue, and you recognized that we have only one chance to do this right. You knew that the city's role was sometimes to exercise restraint. Now you need to fulfill that pledge and exercise restraint. We know the development will occur. As I stated when I last testified here, we have a task to manage with insight and intelligence our future growth. You listened last time. Now the situation is exacerbated. Please continue to listen in -- and respond to this in the only reasonable way and deny this annexation. The hill is not capable of assuming further development. Thank you.

Saltzman: Thank you. Questions? Linda, do you want to testify too? I didn't think you just wanted to play vanna.

Francesconi: I have an issue here. I have to leave, and I should have left already. If I leave, nothing passes.

Hales: How soon do you have to leave?

Francesconi: I think i'm going to the same place the mayor just went to. I'll wait, but can we try to wrap this up quickly in the next ten minutes?

Hales: Okay. I need to do likewise.

Saltzman: Okay. Linda?

Linda Bauer, PVNA: Oh, okay. In the staff report, he's recommending r-10. It currently is lr 4040, which is 40,000 square foot lots, or one lot to an acre. In the staff report it says city planning staff notes the city as a consultant to Multnomah county is proposing an rf zoning designation for this and other sites to meet the requirements of the metro 20/40 functional plan. Yes, it was in the outer southeast plan and yes, the recommendation was for r-10. R-10 was a zoning code designation. It should in an annexation process you're supposed to go from the current zoning to the next most appropriate zone, which in this case would be rf. And the underlying zoning code -- comp plan designation would be r-10. It should not go straight to r-10. From lr 40, which it currently is, to r-10 is a doubling of the density. It shouldn't be to r-10, which is not a comparable zone. It should go from lr-40, which it is, to rf, with a comp plan designation r-10. Thank you.

Saltzman: Anybody else to testify on 1391. Okay.

Hales: I've got staff here if people have questions.

Sten: I have one question. It's pretty straightforward. You may be able to handle this, commissioner Hales. If we annex this, it doesn't imply development improvement until they meet the standards of adequate services. Is that correct?

Hales: That's correct.

Sten: We turned down -- at this point, I can't judge a case until it comes forward, but I think there's a decent likelihood I would come to the conclusion that there respect adequate services to develop this until some of the other things get done. But that -- two questions. Would that be a separate issue, and two do I have to make any decision on that question before -- to support an annexation?

Hales: The short answer to the last question, my understanding, laurel can correct me, is no. We don't preordain anything except the zoning is assumed in our plan. But i'll tip my hand here and say I agree and support the concerns that this neighborhood association is raising. We talked about it in the january hearing. I disagree with the conclusion that the solution to the problem is to keep this annexation in limbo. What you have pointed out as a need here is absolutely right. We've got to get a street network in place and a parks plan for this, one suburban corner of the city that basically is being developed from undeveloped land. It's an unusual situation for us. It happens every day in hillsboro and beaverton and vancouver. This is a peculiar situation for us. Let me give you a couple more assurances. One thing laurel is not is timid, but if pdot shows any timidity in moving ahead for the street plan, let me know. Secondly, the council ought to be rewarned that we may have to spend general fund money to do things like buy park land or condemn property in order to get a street network in this district. We ought to be right up front about that. So if the council has a -- any timidity about carrying out urban services responsibilities, we should deny this annexation. But if we think the plan stands, that the outer southeast plan is the blueprint for this area's development, the problem is implementation. We need a street network and figure out where the parks are going to go and buy the land for those parks. To say let's keep our head in the sand about this property and don't annex it, I can't agree with that solution. I agree with your concerns, but not with that solution.

Francesconi: Now is not the time to debate. I'm sorry.

Saltzman: Okay. Other questions?

Hales: I'm going to move that we approve these, because I think we have to move ahead. But I really appreciate you raising these concerns. I know we may disagree with that result, but we've got responsibilities to carry out, and you've done a good job of pointing those out.

Saltzman: Why don't we move to roll call on 1391 and 1392.

Francesconi: Aye.

Hales: Aye.

Saltzman: Aye.

Sten: You said state your pieces, commissioner Hales. I'm going to vote to support this. I do have nervousness about it. It's availability of dollars. I don't have any sense where I stand on general fund dollars for this purpose versus all the other ones that will come at me in the budget, but I -- I don't think this will be developed and I certainly -- unless -- i'd have to see the evidence, if it gets to us, but I don't think this should be developed in the infrastructure gets there, but ultimately it should be in the city as opposed to unincorporated. Aye.

Saltzman: Did you do 13 -- that was 1391.

Olson: That was 1392. And 1393, Francesconi?

Francesconi: I asked parks if commissioner Hales, your suggestion to go out and look at this, we actually have -- I think it's a high growth area. We actually have sdc revenue that's been bonded. So we're looking at this area for parks without needing general fund. I'm actually looking and following up on that, on the parks side. The reason I voted the way I did is because of the issue of the adequacy of services will come back to us before we approve any development. Aye.

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Hales: I should also say, we have a transportation sdc also in this area as it's developing is generating revenue, and that ought to be the first choice of money that we use to do something like condemn property or build a street. But we may not be enough. So people ought to know that. Aye.

Saltzman: I also have a concern as to whether this piece of property can be satisfactorily developed, but I do believe that is a decision for down the road. And not a decision we decide about whether it should be annexed or not. I am sympathetic to what linda said about maybe this should be an rf zone rather than r-10, but i'm swayed by the fact in our outer southeast plan it's shown as r-10, and that's what it is in the plan. I'm assuming this issue was debated well before in the plan. So that's why i'm going to support this annexation. Aye.

Sten: Aye.

Saltzman: Okay. So now we're on to **1394**.

Saltzman: Anybody here to speak on this? Okay. Roll call. **Francesconi:** Aye. **Hales:** Aye.

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

Saltzman: **1395**.

Saltzman: Anybody have any questions? This is related to a contractor's claim against the bureau of environmental services.

Hales: That's the next one.

Saltzman: No. We're doing 1395.

Sten: Yeah.

Hales: You're right.

Saltzman: This is to bring in outside counsel to help us deal with a contractors claim for work we've done on the -- on columbia boulevard. Roll call.

Saltzman: **1396**.

Saltzman: Anybody here on that one? Okay. Roll call.

Saltzman: Then **1397**, request of christie hoppe.

Saltzman: Is she here?

Olson: I don't see her.

Saltzman: Okay. Then we stand adjourned.

At 12:28 p.m., Council adjourned.

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WEDNESDAY, 6:00 PM, SEPTEMBER 20, 2000

DUE TO THE LACK OF AN AGENDA
THERE WAS NO MEETING