



CITY OF  
**PORTLAND, OREGON**

**OFFICIAL  
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **25TH DAY OF JUNE, 2003** AT 9:30 A.M.

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

Commissioner Saltzman arrived at 9:36 a.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Harry Auerbach, Senior Deputy City Attorney; and Officer Michael Frome, Sergeant at Arms.

Item No. 678 was pulled for discussion and on a Y-5 roll call, the balance of the Consent Agenda was adopted.

<b>COMMUNICATIONS</b>		<b>Disposition:</b>
<b>654</b>	Request of Annalisa Bandalera to address Council regarding Portland Peace Encampment (Communication)	<b>PLACED ON FILE</b>
<b>655</b>	Request of Todd Kurylowicz to address Council regarding Portland Peace Encampment (Communication)	<b>PLACED ON FILE</b>
<b>656</b>	Request of Keith Vann to address Council regarding anti-camping Ordinance (Communication)	<b>PLACED ON FILE</b>
<b>657</b>	Request of Renata Hahn Francini to address Council regarding anti-camping Ordinance (Communication)	<b>PLACED ON FILE</b>
<b>658</b>	Request of Bruce Anderson to address Council regarding anti-camping Ordinance (Communication)	<b>PLACED ON FILE</b>
<b>TIME CERTAINS</b>		

**June 25, 2003**

<p><b>659</b>    <b>TIME CERTAIN: 9:30 AM</b> - Direct the Bureau of Water Works to support implementation of the Revised Columbia South Shore Well Field Wellhead Protection Program by actively working to educate affected property owners and to provide technical assistance to affected businesses during the five-year program phase-in (Resolution introduced by Commissioner Saltzman)</p>	<p align="center"><b>CONTINUED TO JULY 2, 2003 AT 9:30 AM TIME CERTAIN</b></p>
<p><b>*660</b>    Create authority to designate wellhead protection areas, authorize the City to control the possession and use of hazardous materials within wellhead protection areas and adopt initial rules (Ordinance introduced by Commissioner Saltzman; amend Code Section 33.257.070 and add Chapter 21.35)</p>	<p align="center"><b>CONTINUED TO JULY 2, 2003 AT 9:30 AM TIME CERTAIN</b></p>
<p><b>*661</b>    Authorize an Intergovernmental Agreement with the City of Gresham for Columbia South Shore Groundwater Protection Program inspection and enforcement services in the cities of Gresham and Fairview (Ordinance introduced by Commissioner Saltzman)</p>	<p align="center"><b>CONTINUED TO JULY 2, 2003 AT 9:30 AM TIME CERTAIN</b></p>
<p><b>*662</b>    Contract with the Columbia Slough Watershed and Council for a period of 5 years to provide community education and outreach services to residential and agricultural property owners in support of the Columbia South Shore Groundwater Protection Program without advertising for bids (Ordinance introduced by Commissioner Saltzman)</p>	<p align="center"><b>CONTINUED TO JULY 2, 2003 AT 9:30 AM TIME CERTAIN</b></p>
<p><b>663</b>    <b>TIME CERTAIN: 10:00 AM</b> – Adopt the Eastside Streetcar Alignment Study and direct various actions for implementation (Resolution introduced by Commissioner Francesconi)  (Y-5)</p>	<p align="center"><b>36153</b></p>
<p><b>*664</b>    <b>TIME CERTAIN: 10:30 AM</b> – Amend FY 2002-03 budget by transferring appropriation within City funds to prevent over-expenditure in controlled expenditure categories (Ordinance introduced by Mayor Katz)  <b>Motion to accept amendment not transfer the \$230,000 to Contingency:</b> Moved by Commissioner Saltzman and gavelled down by Mayor Katz after no objections.  (Y-5)</p>	<p align="center"><b>177641</b> AS AMENDED</p>
<p><b>665</b>    <b>TIME CERTAIN: 10:45 AM</b> – Accept the Implementation Plan for a Managing for Results System for the City (Resolution introduced by Auditor Blackmer)  (Y-5)</p>	<p align="center"><b>36154</b></p>
<p align="center"><b>CONSENT AGENDA – NO DISCUSSION</b></p>	
<p><b>666</b>    Statement of cash and investments May 08, 2003 through June 04, 2003 (Report; Treasurer)  (Y-5)</p>	<p align="center"><b>PLACED ON FILE</b></p>

**June 25, 2003**

<p><b>667</b> Accept bid of Moore Excavation, Inc. for SE Taggart relief and reconstruction project for the estimated amount of \$2,137,347 (Purchasing Report - Bid No. 102152) (Y-5)</p>	<p align="center"><b>ACCEPTED PREPARE CONTRACT</b></p>
<p><b>668</b> Accept bid of Parker Northwest Paving Company for Street and Storm Sewer and Water Improvements for SE 119th and Pine for \$656,097 (Purchasing Report - Bid No. 102183) (Y-5)</p>	<p align="center"><b>ACCEPTED PREPARE CONTRACT</b></p>
<p align="center"><b>Mayor Vera Katz</b></p>	
<p><b>669</b> Reappoint Douglas C. Blomgren to the Portland Development Commission for term to expire July 10, 2006 (Report) (Y-5)</p>	<p align="center"><b>CONFIRMED</b></p>
<p><b>*670</b> Pay claim of Mr. Brian Kerr (Ordinance) (Y-5)</p>	<p align="center"><b>177598</b></p>
<p><b>*671</b> Amend contract with Hennebery Eddy Architects to provide architectural and engineering services for the renovation of Fire Station 23 and the Logistics Center (Ordinance; amend Contract No. 32659) (Y-5)</p>	<p align="center"><b>177599</b></p>
<p><b>*672</b> Authorize contract and provide for payment for Fire Stations 8, 19 and 20 remodel (Ordinance) (Y-5)</p>	<p align="center"><b>177600</b></p>
<p><b>*673</b> Authorize contract and provide for payment for The Portland Building HVAC Retrofit project (Ordinance) (Y-5)</p>	<p align="center"><b>177601</b></p>
<p><b>*674</b> Authorize contract with Michael Willis Architects and provide for payment for the remodel of Fire Stations 2 and 11 and construction of the new Emergency Medical Services building (Ordinance) (Y-5)</p>	<p align="center"><b>177602</b></p>
<p><b>*675</b> Authorize the Police Bureau to compensate certain Fair Labor Standards Act exempt employees for additional hours worked as a result of emergency operating conditions under Operation Safe City (Ordinance) (Y-5)</p>	<p align="center"><b>177603</b></p>
<p><b>*676</b> Amend agreement with TriMet and Multnomah County whereby Multnomah County increases the number of deputies they provide for the TriMet Transit Police managed by the Portland Police Bureau (Ordinance; amend Contract No. 51325) (Y-5)</p>	<p align="center"><b>177604</b></p>

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<p><b>*677</b> Amend the Intergovernmental Agreement with the Tri-County Metropolitan Transportation District of Oregon whereby the Portland Police manages the Tri-Met Transit Police Division (Ordinance; amend Contract No. 51484)  (Y-5)</p>	<p align="center"><b>177605</b></p>
<p><b>678</b> Amend contract with Ater Wynne LLP for ongoing legal advice and assistance (Ordinance; amend Contract No. 34544)  (Y-4; N-1, Francesconi) Emergency Ordinance failed.  <b>Motion to reconsider without the emergency clause:</b> Moved by Commissioner Francesconi and gaveled down by Mayor Katz after no objections.  (Y-4; N-1, Francesconi)</p>	<p align="center"><b>PASSED TO SECOND READING AS AMENDED JULY 2, 2003 AT 9:30 AM</b></p>
<p><b>*679</b> Authorize contract with Regional Financial Advisors, Inc. for financial advisory services in an amount not to exceed \$200,000 (Ordinance)  (Y-5)</p>	<p align="center"><b>177606</b></p>
<p><b>*680</b> Authorize contract with Arbitrage Compliance Specialists, Inc. for arbitrage rebate reporting and compliance services (Ordinance)  (Y-5)</p>	<p align="center"><b>177607</b></p>
<p><b>*681</b> Approve cost of living adjustments to pay rates for nonrepresented classifications and Elected Officials, specify the effect upon employees in the classifications involved effective July 1, 2003 and provide for payment (Ordinance)  (Y-5)</p>	<p align="center"><b>177608</b></p>
<p><b>*682</b> Adjust the salary step of certain employees in the Senior Planner classification (Ordinance)  (Y-5)</p>	<p align="center"><b>177609</b></p>
<p><b>*683</b> Create a new Nonrepresented classification of Laboratory Production Supervisor and establish a compensation rate for this classification (Ordinance)  (Y-5)</p>	<p align="center"><b>177610</b></p>
<p><b>*684</b> Establish two new nonrepresented employee salary ranges for two Fire Command premium pay assignments and one Fire Command classification and place current employees in specified Fire Command positions on appropriate rates within new or existing ranges (Ordinance)  (Y-5)</p>	<p align="center"><b>177611</b></p>
<p><b>685</b> Extend deadline for Single Family New Construction Limited Tax Abatement applications for Blair Exall submitted prior to January 1, 2003 to receive vfinal approval until December 31, 2003 (Ordinance)</p>	<p align="center"><b>PASSED TO SECOND READING JULY 2, 2003 AT 9:30 AM</b></p>
<p><b>686</b> Extend deadline for Single Family New Construction Limited Tax Abatement applications for Mark and Marilyn Bonebrake submitted prior to January 1, 2003 to receive final approval until December 31, 2003 (Ordinance)</p>	<p align="center"><b>PASSED TO SECOND READING JULY 2, 2003 AT 9:30 AM</b></p>

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<b>687</b>	Extend deadline for Single Family New Construction Limited Tax Abatement applications for GLC Homes submitted prior to January 1, 2003 to receive final approval until December 31, 2003 (Ordinance)	<b>PASSED TO SECOND READING JULY 2, 2003 AT 9:30 AM</b>
<b>688</b>	Extend deadline for Single Family New Construction Limited Tax Abatement applications for Host Development submitted prior to January 1, 2003 to receive final approval until December 31, 2003 (Ordinance)	<b>PASSED TO SECOND READING JULY 2, 2003 AT 9:30 AM</b>
<b>689</b>	Extend deadline for Single Family New Construction Limited Tax Abatement applications for R. Scott Johnson submitted prior to January 1, 2003 to receive final approval until December 31, 2003 (Ordinance)	<b>PASSED TO SECOND READING JULY 2, 2003 AT 9:30 AM</b>
<b>690</b>	Extend deadline for Single Family New Construction Limited Tax Abatement applications for Damir Karin submitted prior to January 1, 2003 to receive final approval until December 31, 2003 (Ordinance)	<b>PASSED TO SECOND READING JULY 2, 2003 AT 9:30 AM</b>
<b>691</b>	Extend deadline for Single Family New Construction Limited Tax Abatement applications for Hilarie Miller submitted prior to January 1, 2003 to receive final approval until December 31, 2003 (Ordinance)	<b>PASSED TO SECOND READING JULY 2, 2003 AT 9:30 AM</b>
<b>692</b>	Extend deadline for Single Family New Construction Limited Tax Abatement applications for Carl Nelson submitted prior to January 1, 2003 to receive final approval until December 31, 2003 (Ordinance)	<b>PASSED TO SECOND READING JULY 2, 2003 AT 9:30 AM</b>
<b>693</b>	Extend deadline for Single Family New Construction Limited Tax Abatement applications for Pine River Properties submitted prior to January 1, 2003 to receive final approval until December 31, 2003 (Ordinance)	<b>PASSED TO SECOND READING JULY 2, 2003 AT 9:30 AM</b>
<b>694</b>	Extend deadline for Single Family New Construction Limited Tax Abatement applications for PMP LLC submitted prior to January 1, 2003 to receive final approval until December 31, 2003 (Ordinance)	<b>PASSED TO SECOND READING JULY 2, 2003 AT 9:30 AM</b>
<b>695</b>	Extend deadline for Single Family New Construction Limited Tax Abatement applications for Rosemont Investment submitted prior to January 1, 2003 to receive final approval until December 31, 2003 (Ordinance)	<b>PASSED TO SECOND READING JULY 2, 2003 AT 9:30 AM</b>
<b>696</b>	Extend deadline for Single Family New Construction Limited Tax Abatement applications for Ante Skoro submitted prior to January 1, 2003 to receive final approval until December 31, 2003 (Ordinance)	<b>PASSED TO SECOND READING JULY 2, 2003 AT 9:30 AM</b>
<b>697</b>	Extend deadline for Single Family New Construction Limited Tax Abatement applications for John Skoro submitted prior to January 1, 2003 to receive final approval until December 31, 2003 (Ordinance)	<b>PASSED TO SECOND READING JULY 2, 2003 AT 9:30 AM</b>

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<b>Commissioner Jim Francesconi</b>		
<b>*698</b>	Lease certain space in Multnomah Center to nine tenant groups from July 1, 2003 through June 30, 2004 (Ordinance) (Y-5)	<b>177612</b>
<b>*699</b>	Authorize agreement for acquisition of a parcel of land known as the Holly Farm in southwest Portland for park purposes from the Trust for Public Land (Ordinance) (Y-5)	<b>177613</b>
<b>*700</b>	Accept improvements constructed by adidas Village Corp. at Madrona Park and acknowledge adidas' contribution to the park property (Ordinance) (Y-5)	<b>177614</b>
<b>*701</b>	Contract with Walker/Macy for production of the South Waterfront Greenway Development Plan (Ordinance) (Y-5)	<b>177615</b>
<b>*702</b>	Designate and assign certain City-owned park property within Senn's Dairy Park as public street right-of-way (Ordinance) (Y-5)	<b>177616</b>
<b>*703</b>	Authorize application to the U.S. Department of Housing and Urban Development for a grant in the amount of \$536,490 for the Portland Streetcar RiverPlace Extension Project (Ordinance) (Y-5)	<b>177617</b>
<b>*704</b>	Amend agreement with Portland Streetcar, Inc. to provide additional professional and technical services related to an extension of streetcar service to the eastside (Ordinance; amend Contract No. 31428) (Y-5)	<b>177618</b>
<b>*705</b>	Designate and assign two City-owned properties as public street (Ordinance) (Y-5)	<b>177619</b>
<b>*706</b>	Accept an Intergovernmental Agreement for \$42,900 between the Portland Office of Transportation and the Tri-County Metropolitan Transportation District of Oregon for the Portland Mall Revitalization Project (Ordinance) (Y-5)	<b>177620</b>
<b>*707</b>	Approve cost-of-service analysis for new parking space reservation service and a service fee of \$18 per space per day effective July 1, 2003 and authorize the Office of Transportation to review and update the cost of service annually (Ordinance) (Y-5)	<b>177621</b>
<b>Commissioner Randy Leonard</b>		

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<p><b>*708</b> Amend agreement with SW Consulting Engineering to provide additional one and two family residential plan reviews for structural engineering issues and to increase the amount by \$20,000 (Ordinance; amend Contract No. 34363)  (Y-5)</p>	<p><b>177622</b></p>
<p><b>*709</b> Amend agreement with Clair Company to provide additional one and two family residential plan reviews for structural engineering issues and to increase the amount by \$20,000 (Ordinance; amend Contract No. 34364)  (Y-5)</p>	<p><b>177623</b></p>
<p><b>*710</b> Amend agreement with The Richards-Multanen Group to provide additional customer service training sessions and increase the amount by \$15,000 (Ordinance; amend Contract No. 34658)  (Y-5)</p>	<p><b>177624</b></p>
<p><b>Commissioner Dan Saltzman</b></p>	
<p><b>711</b> Amend contract with Montgomery Watson Harza to extend term through July 31, 2003 and increase the contract amount by \$5,000 for the Powell Butte Master Plan (Ordinance; amend Contract No. 29987)</p>	<p><b>PASSED TO SECOND READING JULY 2, 2003 AT 9:30 AM</b></p>
<p><b>*712</b> Amend contract with The Ultimate Software Consultants, Inc. for \$130,000 for database administration services and authorize payment (Ordinance; amend Contract No. 33416)  (Y-5)</p>	<p><b>177625</b></p>
<p><b>*713</b> Amend lease with the Port of Portland for Terminal 1 North for the West Side Willamette River Combined Sewer Overflow Project (Ordinance; amend Contract)  (Y-5)</p>	<p><b>177626</b></p>
<p><b>*714</b> Authorize a Finding and Participation Agreement that provides resources for Natural Resource Trustees participation in the Portland Harbor Natural Resource Damage Assessment and Restoration Process (Ordinance)  (Y-5)</p>	<p><b>177627</b></p>
<p><b>*715</b> Authorize Joint Funding Agreement with U.S. Geological Survey for hydrologic monitoring in the Johnson Creek Watershed (Ordinance)  (Y-5)</p>	<p><b>177628</b></p>
<p><b>*716</b> Contract with Mayes Testing Engineers, Inc. to supply qualified materials testing laboratory personnel upon request (Ordinance)  (Y-5)</p>	<p><b>177629</b></p>
<p><b>*717</b> Contract with Professional Services Industries, Inc. to supply qualified materials testing laboratory personnel upon request (Ordinance)  (Y-5)</p>	<p><b>177630</b></p>

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<b>Commissioner Erik Sten</b>		
<b>*718</b>	Amend the agreement with Portland Development Commission by \$295,000 for a total of \$18,727,444 for the administration of housing and economic development programs and provide for payment (Ordinance; amend Contract No. 34405)  (Y-5)	<b>177631</b>
<b>*719</b>	Amend agreement with Southeast Uplift for Foster Target Area to extend term to August 31, 2003, increase compensation by \$350 and provide for payment (Ordinance; amend Contract No. 34166)  (Y-5)	<b>177632</b>
<b>*720</b>	Authorize Intergovernmental Agreement with the City of Gresham for the cooperation of units of local government to prepare and update the Consolidated Plan and to receive payment (Ordinance)  (Y-5)	<b>177633</b>
<b>*721</b>	Authorize agreement with Donnoe and Associates, Inc. to conduct assessment centers for Fire Bureau promotional examinations for \$22,000 (Ordinance)  (Y-5)	<b>177634</b>
<b>*722</b>	Contract with Burlington Water District for fire prevention, suppression and emergency response services for FY 2003-04 (Ordinance)  (Y-5)	<b>177635</b>
<b>*723</b>	Contract with Alder Creek Lumber Company, Inc. for fire prevention, suppression and emergency response services for FY 2003-04 (Ordinance)  (Y-5)	<b>177636</b>
<b>*724</b>	Amend agreement with Professional Video & Tape, Inc. to provide definition and design of the Emergency Medical Services and Training Television Services building relocation to the Training Center (Ordinance; amend Contract No. 34594)  (Y-5)	<b>177637</b>
<b>*725</b>	Accept \$53,439 grant from the Oregon Emergency Management for Portland Office of Emergency Management for additional work (Ordinance)  (Y-5)	<b>177638</b>
<b>*726</b>	Amend agreement with Camp Dresser & McGee, Inc. to provide post-remediation services for Portland Fire, Rescue and Emergency Services for an additional \$23,350 (Ordinance; amend Contract No. 32034)  (Y-5)	<b>177639</b>
<b>*727</b>	Authorize Intergovernmental Agreement with Portland Community College for an Emergency Medical Technician Basic Course (Ordinance)  (Y-5)	<b>177640</b>

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## REGULAR AGENDA

### Mayor Vera Katz

- \*728 Authorize contract with American Management Systems, Inc. for professional services, software licenses and maintenance for implementation of a City budget development and financial planning system (Ordinance)

**Motion to accept amendment to change that the Purchasing Agent may amend contracts total compensation in an amount not to exceed 10% of the original contract amount:** Moved by Commissioner Saltzman and gaveled down by Mayor Katz after no objections.

(Y-5)

**177642**

AS AMENDED

### Commissioner Jim Francesconi

- 729 Declare the intent to initiate local improvement district formation proceedings to construct street improvements in the Lents III/SE 104th and Ramona Local Improvement District (Resolution; C-9999)

**CONTINUED TO  
JULY 2, 2003  
AT 9:30 AM**

### City Auditor Gary Blackmer

- 730 Assess property for sidewalk repair by the Bureau of Maintenance (Hearing; Ordinance; Y1048)

**PASSED TO  
SECOND READING  
JULY 2, 2003  
AT 9:30 AM**

At 11:01 a.m., Council recessed.

June 25, 2003

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 25TH DAY OF JUNE, 2003 AT 2:00 P.M.

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

Commissioner Leonard arrived at 2:03 p.m.  
Commissioner Saltzman arrived at 2:04 p.m.  
Commissioner Sten arrived at 2:05 p.m.

At 4:52 p.m., Council recessed.  
At 5:00 p.m., Council reconvened.

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

**731 TIME CERTAIN: 2:00 PM** – Appeals of East Columbia Neighborhood Association, Cully Association of Neighbors and the Rose City Neighborhood Association against Hearings Officer’s decision to approve the application of the Port of Portland for a Conditional Use Master Plan for the Portland International Airport at 7000 NE Airport Way (Hearing; LU 02-146814 CUMS CU AD)

**Motion that it was an error for the hearings officer to accept the letter from the F.A.A. dated April 18, 2003, exclude that document from the record and we will not in anyway rely on that letter or the portion of the Hearings Officer's document that quotes it:** Moved by Commissioner Saltzman and seconded by Commissioner Sten gavelled down by Mayor Katz after no objections.

**Motion to tentatively uphold the Hearings Officer's decision and deny the appeals of East Columbia Neighborhood Association, Cully Association of Neighbors and the Rose City Neighborhood Association with addition of the four conditions that have been identified, condition one) the Port will not build any structures comprising Project 29 until the Port provides to the City the F.A.A. approved Part 150 Study Update, second) approval of the Master Plan is not approval of a third runway and cannot be argued or construed as such in the future, third) the Port will request each carrier respond in writing to complaints that the Port determines are valid and respond in writing to the Port, fourth) the Port will follow the public involvement process before any major projects as proposed in the Conditional Use Master Plan application submitted by Port:** Moved by Commissioner Saltzman and seconded by Commissioner Sten.

(Y-5)

**Disposition:**

**TENTATIVELY DENY  
APPEAL AND UPHOLD  
HEARING OFFICER'S  
DECISION WITH  
CONDITIONS;  
PREPARE FINDINGS  
FOR JULY 24, 2003  
AT 2:00 PM**

**FOUR-FIFTHS AGENDA**

June 25, 2003

\*732 Amend Title 33, Planning and Zoning to apply design standards to substandard lots in the R5 and R2.5 zones (Ordinance; amend Code Section 33.110)

**Motion to suspend the rules and hear the four-fifths item:** Moved by Commissioner Leonard and gaveled down by Mayor Katz after no objections.

**Motion to accept amendments to direct the Bureau of Development Services in cooperation with the Bureau of Planning, the neighborhoods, the design community, the home builders and other affected parties to develop a catalog of home designs that are allowed to be built on lots in R5 zones which are less than 3,000 square feet in area or less than 36 feet wide and lots in the R2.5 zone that are less than 1600 square feet in area. The catalog of designs shall be completed no later than July 1, 2004. Adopt a condition in the interim period between now and July 1, 2004 that would require the design review standards to meet criteria as submitted by the Bureau of Planning as 33.110.213 Additional Development Standards in R5 and R2.5 Zones:** Moved by Commissioner Leonard and seconded by Commissioner Saltzman.

**177643**  
AS AMENDED

(Y-5)

At 5:38 p.m., Council adjourned.

GARY BLACKMER  
Auditor of the City of Portland

By Karla Moore-Love  
Clerk of the Council

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

June 25, 2003

## 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.

**JUNE 25, 2003**

**9:30 AM**

**Katz:** Good morning, everybody. The council will come to order. Karla, please call the roll. [ roll call ]

**Katz:** Commissioner Saltzman is on vacation?

**Moore:** I don't have him out.

**Francesconi:** He's here. I saw him. He's coming.

**Katz:** All right. Let's take communications. 654.

### **Item 654.**

**Annalisa Bandalera:** Good morning. My name is annalisa bandalera, i'm a member of the Portland peace encampment and a student at Portland state university. I'm going to ask you to look around the room today, because we have a special event going on. Sponsored by crossroads, which is the sleeping bag giveaway. But when I look around the room, I don't see sleeping bags. I see shelter. And this is what the issue with the anticamping ordinance is. You're looking at blankets and sleeping bags as such, and not as shelter. If a tornado rips through Portland tomorrow, federal aid is almost guaranteed. They would come in. They would make sure people had basic necessities so that they could have their lives continue. With human rights. Fortunately, the city of Portland has chosen to write a city code that violates human rights, which is the anticamping ordinance. If you could imagine the -- imaginatively step into these people's realities and think about, instead of having rooms have you a backpack, if you're lucky, or if you have a sleeping bag. I'm concerned that we're living in a society in which instead of writing laws to protect people, we are writing laws that prohibit people from continuing in our society. That we are directly contributing to the devastation of their lives. And when I walk through the city, and I see this, I cry tears in my heart, because i'm aware of how close any person, any one of us is to being without a home, without basic necessities. The Portland peace encampment started because we wanted to address the issue of the war on iraq. As we've continued to maintain our vigil on the sidewalk, and we've gotten to know the homeless community, and we've heard their stories, we've been frankly appalled by what we are hearing, and the treatment of the police towards them. We operate on kind of this border, the peace border out there. And we're saying, open up the borders. Open up the borders so that people can exist peacefully. But if you're trying to catch some sleep and some cops coming down with his boot saying you've got to move, that's not peaceful. And that needs to be addressed in this city. Human rights need to be addressed, and if you continue to write your laws to violate human rights, where are we heading? And how are we acting as an example for other cities which Portland wants to do? Do we want to be an example of clean streets, where there's no evidence of living? You have choices. I've said this many times before. And I encourage you to take these choices and these opportunities and to write social equity and social justice into the law.

**Katz:** Thank you. [applause] [gavel pounded] 655.

### **Item 655.**

**Todd Kurylowicz:** Good morning. My name is todd kurylowicz. Four-year veteran of the u.s. Navy, current member of the peace encampment. Here again to speak with you all, fortunately we haven't had -- unfortunately we haven't had time to get some dialogue. I understand you're all

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probably pretty busy, but my question is, where have you been busy at? Seems as though big league baseball has been a pretty big issue as far as getting the big league ball team here. But seems as though the 10-year plan to deal with poverty and people not having an ability to live in a proper manner isn't being addressed. Illegal camping ordinance obviously a big issue there. It's unconstitutionality. Look around, there are a lot of people that agree, they were given sleeping bags, they might want to be using them. And I think you owe it to the people here in your community to give them a justification as to why they can't use them in the city of Portland. Now, I don't hear any justification. I'd like to create some dialogue. Speak. Speak to the people. You can use a couple of the minutes here. I'll donate a couple to -- imagine it's raining, it's cold outside, I just lost my job, and i'm out on the streets and gotta live on the streets. And got a sleeping bag, i'll give you the rest of my time to maybe talk to the people in this room and the people that are watching and tell them why they can't use a sleeping bag and i'll give you the rest of my time to do that. I'll be right here on the ground. This is how you sleep when you don't have a sleeping bag. That would be warm. This is what the law says I gotta do. [applause]

**Katz:** [gavel pounded] excuse me, we will recess and clear the chamber.

**Todd Kurylowicz:** Can you show any emotion?

**Katz:** 656.

**Item 656.**

**Keith Vann:** Good morning. My name is keith vann, and i'm a homeless resident of Portland. Following up on my presentation last week, you'll all be happy to know the momentum is building towards our strongest negotiating position yet with the city over the callous way it addresses and perceives its homeless. Over the past several weeks, crossroads, on whose guiding council I sit, has gained support for the homeless agenda with the following organizations. Southeast uplift, representing neighborhoods in the southeast. The albina ministerial alliance, Portland peace encampment, street roots, an advocacy organization for crime victims, and cop watch. We intend to keep expanding our alliances until the city can no longer afford to ignore us. Believe us, mayor and city council members, we will be heard. Even if we need to focus the national spotlight on the rose city. If Portland was embarrassed by last year's comic strips lampooning our sorry school funding debacle, just imagine how much fun the national comic press will have with the local pattern of undisciplined police repression, wrongful shooting deaths of unarmed minorities at traffic stops, and threats against sleeping people, citing sham ordinances that may be effectively illegal to enforce. Of course everyone would like to avoid casting Portland in a -- in the negative glare of national attention. It would certainly take the tarnish off the city's rosy image. Yet we all know that events don't have to go that far. It simply requires a genuine willingness for the city and the Portland business alliance to sit at the table in good faith with crossroads and other representative community organizations to hammer out a sensible solution to the shameful issues of inadequate night shelters, inadequate day centers and discriminatory police harassment of peaceful sleepers and the visible poor downtown. Thank you.

**Katz:** Thank you. [applause]

**Item 657.**

**Renata Hahn Francini:** Good morning. I'm renata hahn francini, i'm a mother, veterinarian and small business owner. I am here today because I need to express to you, leaders of Portland, my grave concerns about the way our city is treating a large group of our citizens, homeless people. Today I want to direct your attention to the injustice that our city has made it a crime to sleep on the streets. Our city provides only 300 to 800 shelter beds, depending on the season. And every night at least 1500 people are forced to sleep outside. I see the anticamping law as an embarrassment to the city. I see the enforcement of this law during these times of economic hardship, as a violation of the basic human rights of a large group of individuals. The funds spent on enforcing this law

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would be more effectively spent if they were used to solve the underlying problems of homelessness. That would be better than the band-aid approach that hides the evidence of the problem from the rest of the city. Only when Portland has adequate space for everyone to sleep indoors, will this be a just law. I'm a member of crossroads, and we have organized the right to sleep campaign. Current laws make sleeping outside a crime. A large number of people every night are forced by their economic circumstances, and a lack of viable alternatives, to break these laws. These laws lead to sleep deprivation, which in turn makes it more difficult to become housed. The right to sleep campaign seeks a remedy to the situation. This campaign is supported by several groups that independently work to support the rights of the poor. They include street roots, sisters of the road cafe, the albina ministerial alliance, and saves, the survivors advocating for an effective system. Together, we will work on the right for less -- the less fortunate in our society to sleep without the risk of being arrested. We see the anticamping ordinance as selective persecution of citizens of Portland. As individuals, each represent and support the poor throughout various segments of Portland. United together in the campaign for the right to sleep, we serve as a symbol for Portland that every community representative in the city needs to come together and work together toward solving our problems. Today are you hearing from other representatives of the right to sleep campaign. Please consider the injustice of -- in these laws as you hear their stories. Thank you for your time and your attention.

**Katz:** Thank you. 658. [applause]

**Item 658.**

**Bruce Anderson:** Good morning. I'm bruce anderson. I live in the inner southeast, in a house. I have a consulting practice. My focus of my practice is on root cause analysis and systemic change. About a year ago I got interested in homeless -- I woke up to homeless -- the fact there's so many homeless people. In my training I started thinking, why would this be? And so I -- in looking at it, I looked -- saw sisters of the road and saw their charter, where their intention is to look agencies item I can change. Symptomatic change would be to provide someone shelter for the night, and systemic change would be to figure out what causes it and what level you can address it so you can change it over time. And so -- this is a complex issue. It's not easy to do root cause analysis anywhere, and this is also thorny. You could also look at it, you can turn it around and look at it in terms of an anticamping ordinance. So what is the underlying assumptions that an anticamping -- ordinance would exist on? What basis, why would a city like Portland have one? And there's -- there's a lot of reasons, and I have time to talk about one. And I want to focus on the one that's around choice. So there's an assumption that people have choice, and they make poor choices. And poor choices have led these people here to be homeless. It's essentially their fault. And if they would stop making poor choices, they would stop being homeless. The economic system works for everyone. And poor choice is the reason. This is just one, and it's a complex thing. Staying with that, if that is true, that it's an underlying cause, then punishment is a reasonable thing to do. So if I make poor choice, and you punish me for it enough, the notion is i'll stop making poor choices and smarten up. If that's the truth. But what we heard from renata is in fact it isn't a choice. It's too complex, wages and house prices, stuff you know about. So it's not a choice. So punishment in fact won't work. In fact, it exacerbates the problem, so it's like taking a lever you think is going to help, pushing it the wrong direction. It exacerbates the problem. So the anticamping law causes people to be on the street longer for a couple of reasons. One, they get fines and tickets and have to pay them. Two, they get woke up in the middle of the night. It's degrading, self-esteem issues already that we won't go into. It makes them worse. So the time on the street is lengthened, not shortened. So it's one of these cases where -- in trying to do the right thing, we do something that causes the opposite to result. And so I believe that we -- just the thing i'm focusing on, the ordinance is counterproductive.

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**Katz:** Thank you. [applause]

**Sten:** Mayor, could I talk for a couple minutes.

**Katz:** Absolutely.

**Sten:** Usually we don't -- it's somewhat imperfect situation, this set-up because it's a formal hearing and we usually don't have an ability to dialogue. But I just asked for a personal privilege to talk for just a second. I wanted to say that I appreciate the organizing you're doing, and I think it's important, and I think that we have an economic and social situation that will not be solved by any answer on the anticamping ordinance, and I think that's relatively obvious to you, who's organizing as I think you should be, and to us. We are working on taking a look, and I don't think taking a look will change anything on the big picture, but how all of our systems work to try and figure out what are ways we can improve it. There's two issues, one is how do we improve what we're doing now, and the second is how do we get more housing built and how do we get more job opportunities so people can work, and the bigger picture issues to solve the root causes. Crossroads is actually part of that solution. The city is actually funding the organizers who are helping you get organized on the idea that we need to get your voice into that bigger conversation. And I see that happening over the summer and fall. And I think that as you can work on these issues, if you can also work to -- I'm not in any way arguing you shouldn't be working on the camping issue, but work to look for how are the places we can change the system, I hope you'll advocate on bigger solutions. We need a source of money for affordable housing in this state, and there is a bill in salem I hope you'll work on. What I would like to do on the camping ordinance on the short-term, is -- and this is just a first step, I don't profess this to be an answer, but to get some clarification on exactly what the enforcement instructions to the police are, because I think the reality is we do have shelter that's are full and there are going to be people camping, and I think what people need is a predictable understandable sense of what types of action will get them roused and what won't. And I think that is a minimum, given the current law construct. The issue of changing the law is a much bigger conversation that's going to continue to rage as it has for 20 years. I'm not going to commit to you that I can get that solved to your satisfaction in the next couple weeks, but I do believe we can get some cellular if I indication working with the mayor from the police on what the enforcement guidelines are. And so there's a bigger picture piece which I believe crossroads is going to be part of that was certainly our hope when we put the funding out there to give some organization to it, and I'm proud of what you're doing, I hope you'll join them in that and we would like to do some work with you to get the rules around the anticamping clarified, because I think there's a wide range of sense out there of how that's working. Thank you.

\*\*\*\*\*: Mr. Sten can I --

**Katz:** No. [gavel pounded] [applause] let's take consent calendar. Anybody want to remove items from the consent calendar?

**Francesconi:** 678.

**Katz:** Ok. Anybody else in the audience want to remove items from the consent calendar? If not, we'll take a vote on the consent calendar.

**Moore:** What item was pulled?

**Francesconi:** 678.

**Katz:** Roll call.

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

**Katz:** Mayor votes aye. [gavel pounded] 678.

**Item 678.**

**Moore:** Amend contract with ater wynn llp for ongoing legal advice and assistance.

**Katz:** [ roll call ]

**Francesconi:** No. **Leonard:** Aye. **Saltzman:** Aye. **Sten:** Aye.

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**Katz:** Mayor votes aye. [gavel pounded] just for your information, we allow 15 minutes at the beginning of every wednesday, three minutes each. People need to let the clerk, the auditor's clerk know that. So you only have five and five people signed up already. That's within our code language.

**\*\*\*\*\*:** [inaudible]

**Katz:** The paper has nothing to do with it. It's letters to the clerk that you want to speak next wednesday. So if you want to speak next wednesday, talk to karla. Time certain.

**Harry Auerbach, City Attorney's Office:** Mayor Katz, that was an emergency ordinance that had a no vote, so the item failed, the last item, 678.

**Katz:** All right.

**Francesconi:** Is there any particular --

**Auerbach:** If you want you, commissioner Francesconi, as the prevailing side, can move to reconsider the item.

**Francesconi:** I understand that. But is there any urgency to this? Didn't look like it's an emergency.

**Auerbach:** Let me see the item.

**Katz:** Refresh my memory. It failed. Shall we go back and take the emergency clause off?

**Auerbach:** If commissioner Francesconi, who's the only member who voted against it, moves to reconsider it, you could take the emergency clause off of it and vote on it, or pass it to second reading and vote on it next week.

**Francesconi:** I'll do that. I'll move to reconsider without the emergency clause.

**Katz:** Ok. Any objections? Hearing none, so ordered. [gavel pounded]

**Auerbach:** Reconsidered, then there's an amendment to remove the emergency clause.

**Katz:** Right we'll remove the emergency clause. All right roll call.

**Francesconi:** No. **Leonard:** Aye. **Saltzman:** Aye. **Sten:** Aye.

**Katz:** Mayor votes aye. [gavel pounded] all right. Time certain.

**Auerbach:** It passes to second reading.

**Katz:** Right. We'll put it on for next -- 659.

**Item 659.**

**Saltzman:** We're still working to get this put together so we would like to set it over for one week.

**Katz:** All right. Any objections? Hearing none, so ordered. [gavel pounded] all right. 660.

**Item 660.**

**Saltzman:** We want to set all these over. Through 662.

**Katz:** Ok. There's no objections, we'll set 660 over.

**Item 661.**

**Katz:** If there's no objections, we'll set that over. [gavel pounded] 662.

**Item 662.**

**Katz:** Any objections? We'll set that over as well. [gavel pounded] all right. We've got three minutes, but I think we've got everybody here. We'll start. 663.

**Item 663.**

**Katz:** Ok. Come on up.

**Katz:** Who wants to start? Hank? Vicky? We'll change the order.

**Hank Ashforth, Ashforth Pacific:** Good morning. Thank you for the opportunity to present actually our findings on eastside streetcar alignment. We'll be seeking your approval of this east car alignment study. I'd like to give you a little bit of background of what we've been up to, where we are currently, next steps and the like. For the past five months or so, under the charge of commissioner Francesconi, we did put together a committee of about 17 members that are actually

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included public and private officials, zoners, neighborhood leaders, and in particular, i'd like to thank brant williams, who from the -- from the office of transportation, who helped us tremendously. Our charge was fairly clear. Put lines on a map that you see there, and those lines I will stress were unanimously approved by our committee. And also involve the public in the process. We did so through garnering their support through a number of workshops. We held two. One at omsi and one over in the lloyd district. And then also prepare for federal funding. Which we know will be a critical part of this. It was truly a grass-roots approach, and I have to say the extension of the streetcar to the east side is one of our highest priorities. We don't have all the answers yet for sure, but we are moving forward, and we are extremely committed to this process. The extension of the east -- of the streetcar to the east side is a priority for sure. Lloyd district 15-year study that we went through with p.d.c. put it as one of our top priorities, and actually in fact the b.i.d. over in the lloyd district helped fund this process to the tune of \$50,000. The east side I think -- central east side folks who are here to testify as well feel the same way. Its development potential has been well demonstrated. I'll have more to say about that a little later. The streetcar connects neighborhoods, certainly connects the close-in east side and the lloyd district with the central city core, and also in doing so, connects the 14,000 jobs that we have in the lloyd district with the 17,000 jobs that are -- exist currently in the east side with the rest of the city. It also creates a loop to the downtown, if you can see by the lines that we have put on the alignment that we're showing you today. And that certainly could serve as a foundation for future expansion. The success of the streetcar, as I said, is well demonstrated. There have been 1.2 billion dollars of investment along the lines currently, that translates to about -- to over 3600 resident units and over 2.2 square feet -- 2.2 million square feet of office space on an original investment of 50,000, over a billion dollars is a pretty good leverage. East side certainly has room to continue this development, we have the willpower, the grass-roots support, as I said, vis-a-vis the two open houses we had, which we really got nothing but support and commitment to -- and encouragement to the process. The alignment, as I said, came through unanimous vote by our committee, it stands before you, it's broken up in three phases. First phase would be coming from lovejoy across the broadway bridge to the -- and down broadway and weidler, going south on seventh and north on grand, and really turning at the Oregon convention center, at Oregon street. Phase two would be coming through the central east side on mlk and king, and the third phase would be crossing the river either on the hawthorne bridge or the new caruthers bridge, which would be part of a light rail expansion that certainly folks are starting to talk about. So as far as cost goes, phase one we think will come in at least preliminary numbers say 39 to \$40 million. It's 3.17 miles. Phase two at about \$44 million at 3.6 miles, and phase three, really no cost at this time, given the bridge situation we have to go. But we do see a phasing process, phase one we'd like to get started certainly as quickly as possible. Funding itself, the public-private partnerships that Portland is so good at putting together will be well needed for this. Federal funding, it was certainly part of our charge, is essential to this. Earl blumenauer's streetcar community development act is something that we're looking and have actually talked to the congressman about. And then local funding, like the last one, either an l.i.d., b.i.d., p.d.c.'s help, as well. This is the first step in a long line and chain of events for sure, but the next steps are to get this finance plan together, and really start a preliminary development agreement with some of the developers and owners along that line. And conceptual engineering very important part, we need to look at the broadway bridge very hard, and then other next steps is certainly recommending those funding options. As I say, we're very committed to this process. I have a number of our committee members here to testify as well, and we'd like you to look favorably on what we have before you today. Thank you.

**Katz:** Thank you.

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**Dee Walsh, Reach Community Development:** Hi, i'm dee walsh, i'm here today representing reach community development as a member of the streetcar committee, also as a property owner. We own property along southeast grand and have about 300 units within a half mile of the proposed line, and we are also building a property on the west side that's -- that will be served by the streetcar as it comes over the lovejoy ramp, which is 176 units for seniors. So i'm really pleased about that. The central east side industrial council I think as many of you know, adopted a vision for a new industrial district last year. We identified maintaining the diversity of the district and promoting development opportunities, providing housing and retail that supports the district and the employment, and improving the infrastructure to improve vehicular and pedestrian access, and the vision specifically supported the addition of light rail and trolley to the area. So the council is fully behind this proposal, and I think that the steering committee looked at the zoning until the district when trying to identify the alignment and to pick the alignment in an area that supports where the most development could happen, which is along the m.l.k.-grand corridor. And we also support this effort because it reinforces some of the redevelopment work that we're looking at in the southern part of the district around omsi and p.c.c., and would provide enhanced access to those two institutions, which are really important institutions in the central east side. So i'm here today to urge your support, and your help as we move forward with this process. Thanks.

**Joe Vaughn, Portland Trail Blazers:** My name is joe vaughn. I'm with the Portland trail blazers, representing jay isaac today, he's unable to attend, but he'd still like to make his sentiments known.

**Francesconi:** He knew we had other questions to ask him about something else.

**Vaughn:** Exactly. First, o.a.c. and the trail blazers are very pleased you're here to testify on this issue. We feel an east side streetcar development is -- offers a tremendous economic development opportunity to both the rose quarter and the entire alignment corridor. Members of the rose quarter management team served on two of the city funded studies that have looked at barriers that have restricted development in the rose quarter. Both the lloyd district and the rose quarter development studies. Both of those studies found it would be -- that the rose quarter would benefit greatly from having better more user friendly connections to both the eastern neighborhoods and the river district. We feel that the Broadway corridor streetcar would help -- would directly address some of these issues. We're currently studying development opportunities at the red lion waterfront site between the Broadway and steel bridges. Future occupants of this property will benefit greatly from such an attractive method of commute to both eastern neighborhoods and the river district. Our hope is simply that council decides to pursue this, and study this investment further. Thank you.

**Katz:** Thank you.

**Michael Bolliger, 511 SE Belmont:** So i'm batting clean-up. My name is michael, i'm the immediate past president for the central east side. I also served on the steering committee for this alignment. To my knowledge, this is the first time on the east side that the lloyd district, the central east side and the surrounding neighborhoods have all jointly worked on a project that would benefit the east side, and also definitely the downtown area. We have, like the lloyd district, some approved development plans in the central east side that are close to this alignment, and I think would definitely benefit by this happening. In the past, the central east side was very much involved, as i'm sure you're aware, in the east bank esplanade. And in some ways the city in the past was a city divided by a river. And the esplanade we were pleased when it happened, I think was a good step in actually joining the downtown to central city. And we look at the streetcar as really a big extension of doing the same thing, where you really join the central city into one cohesive unit. Not just for business purposes, but also for the neighborhoods as well, and the alignment that we're studying tries to take advantage of strong mass transit connections so that they're coming in like spokes from the outside, coming into the central city, and then you take

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advantage of the loop once you're there. Max is on the north end, so like I said, I think the opportunity is tremendous, and I agree with hank, the development potential is not in millions, it's in billions of dollars, I think that certainly available. So again, I would like to have you strongly look at this, and give us your approval. Thank you very much.

**Katz:** Let me ask a question. You haven't finalized the north-south alignment on m.l.k. yet. You're going to come up, vicky? Ok. Further questions of the panel? Ok. Thank you.

**Francesconi:** Could you just say a little more about why you want the streetcar? The kind of development that you want? Say a little more about what potential it offers for the east side, the type of development that you're looking for.

**Bolliger:** Well, if we mirror the west side, you're looking at more housing, you're looking at higher office density type development. And the m.l.k.-grand corridor, the commercial corridor is zoned e.x., so it's appropriate for that type of build-out. And it also is of interest to us, you've got the rose garden and convention center, and we've got omsi at the other end, which are two large public -- three large public attractors. So I think it ties all that together.

**Hank Ashforth:** Specifically as the zoning -- as the alignment goes through the zoning, it's all zoned -- majority is c.x. Zone and the development potential is vast. In fact, this summer we're going to be working with p.d.c. To look at a project that surrounds mixed use development at least at this point at the crossing actually of the potential streetcar tracks and the light rail. A lot of that goes through some property that we own, and others do as well, but we think there is a vast potential there for mixed use, additional, be it office space, at some particular time in the future, or additional housing.

**Katz:** Further questions?

**Leonard:** I was just curious, the phase two portion of the project doesn't require building a bridge over sullivan's gulch. You're taking advantage of the via ducts that are there. And was there a discussion about part of this going in front of benson high school on 12th? And if so, why wasn't that alignment chosen?

**Walsh:** Actually there was a developer who wasn't on the committee at one of our meetings, and I think -- the staff may want to respond to this, but from a technical standpoint in terms of the timing of the loop and the distances, they felt it was more important to keep the loop tight, because you lose some traffic. Also, the zoning in that area, as I understand it, would not allow the kind of growth and density that it would along m.l.k.-grand. The council would really like to see it there, because that's the heart of our district. And the core of the historic district in the area, and we think the trolley will help reinforce that and help revitalize it. So hopefully the other transit with the bus and the connectors can serve that part of the neighborhood.

**Leonard:** Also the neighborhoods were concern --

**Bolliger:** The neighborhoods were concerned about the speed, the traffic on m.l.k.-grand, where it is a barrier to get to the river. The idea hopefully is that the streetcar will have a tendency to slow some of that traffic down and give us a reason to continue to do some of the street improvements on m.l.k. That we've done on grand.

**Katz:** Further questions? Thank you. Vicky, come on up. You have a team here? Come on up.

**Vicky Diede, Project Manager, Portland Streetcar, Office of Transportation:** I just wanted to make one quick comment. I haven't been here for a while. Vicky, with the office of transportation. The city's project manager for Portland streetcar. I would just like to make a comment about the alignment and the phasing of that alignment. It is that the alignment that is on the map is definitely the recommended preferred alignment of everybody who was on the committee. It is consistent with planning efforts, it is consistent with zoning, it is consistent with where we think there's some really terrific development opportunity. However, there's also a recognition from people on our technical advisory committee and others that the m.l.k.-grand corridor provides some real

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challenges. And what we would like to continue is to have the discussions with ceic and the neighborhoods around those kind of challenges that are there, so the first phase, everyone's feeling pretty good about it, I think it's appropriate that as we get the h.u.d. money we're looking for, go into conceptual engineering on that. But on the efforts we're going to be funding for this next year, with help from p.d.c. and lloyd business improvement district, I think a piece of that will be looking at m.l.k.-grand. And what the challenges are, what the opportunities are. But I don't want to minimize the fact that this truly was their preferred alignment.

**Katz:** Ok. Further questions. Anybody else want to testify? If not, roll call.

**Francesconi:** There's two ways to view this. One is that it's the east side's time for us to continue to put more infrastructure and take advantage of the opportunities that are there. So to connect it with the convention center with omsi, is a terrific thing for us to do. And there is the development opportunity in terms of housing and employment when you have 34,000 jobs, 27,000 -- i've got my numbers off. 31,000 jobs on the east side of the river supplementing it with this type of transportation infrastructure, producing more housing, linking these two attractors this. Is actually a very exciting thing that the whole city needs. Because frankly we need these investments, we need these jobs to generate revenue for schools, parks, and the other parts of the city. So that's one way to look at it. The other way to look at it, mike bollinger really spoke about it, it's really time for us to go from a downtown to central city. We talked about it at a central city summit 10 years ago, but really only the -- the only thing that came out of it was the poster. So we've begun to link it with the esplanade, but this type of investment here with transportation infrastructure, which connects to light rail, and -- in an inner circulation system, is a terrific thing. Because if our central city is going to compete with other central cities at a difficult transition in our economy, we need those jobs and we need to be -- we need the power of the central city, not just the downtown. And this is a great opportunity to get there. A couple groups of people i'd like to thank as we move forward. We have a long way to go, but i'd like to start with congressman blumenauer, whose idea of the streetcar was many years ago, and is continuing to help deliver resources to make this thing happen. The second is commissioner, my predecessor, commissioner Hales, who really elevated this and knew it was a development tool. I think it was primarily, and is to this point, for it to move forward, we have to also now make it a transportation tool. So it has to be both development and all those billions of dollars, but it also needs to be transportation, so we can get those federal dollars that will allow this to continue to expand. And i'd also like to thank vicky for the work she's done that i've now had occasion to witness as part of the streetcar board. And also roger shields and rick gustafson. What they've really tried to do is bring it in under budget, on time, in a more cost effective way. My commitment as we move forward is to work especially on the federal funding side. So congressman blumenauer is really being helpful. Senator smith at my request is doing a tour of this alignment. I think the date is august 6. And he's agreed to that. He is a very big fan of the streetcar, so we're going to be giving him a tour of this whole area, because i've talked to his staff twice, senator once, so i'm hopeful that we can move this thing forward. It's also nice to see the two groups together, now we bring the downtown groups together, then we really have a way to move this -- then we include neighborhood business groups and we can really move forward. Thanks for all your work. Aye.

**Leonard:** Aye.

**Saltzman:** Good job. Aye.

**Sten:** I think the idea of the streetcar and this alignment is very exciting. I don't have a clue how we pay for it at this point, but I think you can't do something in the future unless you plan it well. It's -- it would really do a lot there, and I appreciate you having the vision to at least get us this fracture. Aye.

**Katz:** Aye. [gavel pounded] all right. 664.

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**Item 664.**

**Mark Murray, Bureau of Financial Planning:** Mark murray, bureau of financial planning. We're requesting a substitute of the exhibit for a technical correction to one of the transfers.

**Katz:** Ok. Does everybody have it in front of them? Why don't you hand it out and explain it.

**Murray:** Very quickly, the purpose of this particular ordinance is a last chance effort on the part of the bureaus to ensure that we do not violate local budget law by overspending with any major object category. So we're trying to finalize year-end projection and make adjustments as necessary, hopefully just moving money between the major categories, and that's what these actions do. We'll really just -- and there's also a minor supplemental attached to this effort as well, and that's because we ran out of contingency funds this year, so in order to recognize additional resources right at the end of the year here, we did have to engage in a minor supplemental budget process, again to comply with local budget law. You'll see the numbers are fairly small, but it is technical. If you have specific questions, we'd like to answer those. Otherwise, we'll just keep moving forward.

**Saltzman:** I have a question.

**Katz:** Go ahead.

**Saltzman:** Under general fund contingency, carryover of purchase for taxicab cameras, \$230,000. I don't recall this ever being an item we discussed during the budget.

**Murray:** Actually, it was. It was done as one of the carryover items, but it wasn't technically balanced, and it will come back for another -- it will come back --

**Saltzman:** -- the city council ever even approved spending city dollars to put cameras in taxicabs?

**\*\*\*\*\*:** It's just --

**Saltzman:** Did I miss something?

**Murray:** No. I would actually just be a loan, and it isn't finalized yet. I had discussions with jim wadsworth yesterday. They're still discussing whether to do a grant and what kind of an increase to do for the taxicabs to repay the city to get this off and running.

**Katz:** The question --

**Saltzman:** Has the council ever approved --

**Katz:** The question he's asking is that discussion has not occurred yet at the council level.

**Murray:** No, it's primarily at the bureau level thus far. This would set it aside, but it would still, like every other carryover action, have to come before you in the fall bump to say whether you approve or not, ultimately.

**Saltzman:** Is there going to be a policy discussion? I'm personally opposed to putting cameras in cabs. So I don't want to be spending city money in a loan or anything like that. Where I do get a chance to express my views on that position?

**Francesconi:** I wanted to put taxicabs in cabs when I had it.

**Katz:** Cameras.

**Francesconi:** Taxi cameras in cabs. And the commissioner leonard, i'm filling in for him at the moment, but I think he intends to bring something to the council on this, which actually -- the question of payment we have to --

**Saltzman:** It seems to me in an ideal world we should make the decision first, and then do the contingency. It sounds like we're doing this quite frankly very backwards.

**Murray:** Advertisement all we've done is set it in there so it is there if you so decide. Commissioner we're talking --

**Saltzman:** I had an idea and I want to set aside \$500,000 in case council approves this idea, would you do that? [laughter]

**Murray:** Not normally, but it was my understanding there was discussion earlier during the budget development process that we would try --

**Katz:** If you could repay it.

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**Saltzman:** I don't recall this discussion.

**Katz:** This discussion was not -- did not occur, has not occurred yet before the council. This is whatever the issue is, and we'll have a conversation about it a little later on, it would have to be repaid.

**Murray:** That's correct.

**Katz:** So it isn't that if you have a program that you want to stick 90 contingency to be expended, this is set aside as a potential.

**Leonard:** Is this the discussion of the cameras?

**Saltzman:** Even if we're going to do a potential, and it's a repayment, it still seems to me this is backwards. And I would like to see this just removed as a carryover item. When we make the policy decision, if we make the policy decision, then we can affect the contingency.

**Murray:** Might I suggest we still leave it in contingency and ensure it comes back for discussion? Technically we want to make sure we balance the budget, so we have to put the money somewhere.

**Saltzman:** There's no policy sign-off on money to do anything yet. Why are you putting money somewhere for which there is no council --

**Murray:** Because we moved it from what was a transfer to pay the debt on the children's receiving center, because that debt wasn't new this year, so we're taking out of that and putting into the general fund contingency. The thought was that it might be used for the taxi dollars.

**Saltzman:** I don't know --

**Murray:** I understand that discussion does need to take place.

**Saltzman:** No disrespect to the effort that's underway, i'm just saying this sounds like a backwards way of doing things, and i'm -- I don't like it. You can lose me in the details easily, and I think you've done that already. I don't like it.

**Murray:** If it would make you more comfortable, commissioner, let me suggest this -- we could leave the funds where they are currently allocated, which is for the debt service that we don't need to pay, and then it would just fall to balance, and then we could bring it back for the policy discussion after July 1 when the commissioner is ready to try and proceed.

**Leonard:** And i'm not clear on the details of this in particular, but the costs of the cameras will be paid for by an increased fee of the licenses that the taxi drivers pay and that the cabs pay as well, and this was a way to be able to purchase and block all of the cameras at once and repay it --

**Saltzman:** My point is we haven't even made a policy decision to do that yet. So why are we more or less budgeting the money --

**Murray:** If you'd like to propose to amend it --

**Saltzman:** -- before we even have the discussion and made a decision. It's conceivable we could say we don't want to do it.

**Murray:** Perhaps we could ask you to make an amendment then to leave the allocation as it previously was for the debt payment for --

**Katz:** We don't have an amendment in front of us yet. So let me ask for acceptance of the amended exhibit 1 first. Any objections? Hearing none, so ordered. [gavel pounded] now go ahead and put further amended --

**Saltzman:** Give me the wording for the amendment and i'll --

**Murray:** Amend the ordinance to not transfer the \$230,000 to contingency.

**Katz:** Leave it where it is right now, and after the policy discussion of the council, then you will transfer --

**Murray:** That's correct. It will fall to balance, and assuming balance --

**Katz:** Any objections, hearing none, so ordered. [gavel pounded] all right. Anybody else want to testify? Roll call.

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**Francesconi:** Thanks for all your work on this. Aye.

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

**Katz:** Mayor votes aye. [gavel pounded] all right. 665.

**Item 665.**

**Moore:** That's a 10:45 time certain.

**Katz:** Let's go to regular. Well, I don't know if I have anybody here since we have a 10:45. Let's do -- I think we'll take a recess. When you have a time certain, people who planned to come for the regular calendar wait until after the time certain.

**Francesconi:** I can deal with 729. I'm going to ask you if we can continue it.

**Katz:** Ok. Then let's take 729.

**Item 729.**

**Francesconi:** The pdot folks are on vacation to handle that, so if we could continue it to July 2.

**Katz:** Ok. Any objections? Hearing none, so ordered. [gavel pounded] how about --

**Francesconi:** He's ill, he's not on vacation.

**Katz:** What we'll do is take a recess until 10:45. Please be back on time. Thank you. [recess]

**Moore:** They could do 728, mark says.

**Katz:** You've got folks here? All right. 728.

**Item 728.**

**Mark Murray, Bureau of Financial Planning:** Mark murray, financial planning. This is actually an effort that began about six years ago with an examination of our budget process and automated products that might help us. At that time the products were not considered adequate, so the bureau of financial planning focused on automating the budget document process only. That was completed about three years ago, and by the way, we did receive national recognition from government finance office association for that. We continued to monitor the industry in the interim and i'm talk with various vendors, find out what the products were doing. The product were maturing, but city finances were deteriorating, so it became lower priority in our view. Beginning in '02-03, pdot determined the need to replace their internal system, which is based on an aged programming system, fortran, and if you're familiar with that, that's what I learned in college, so that's how old that is. Working with pdot, financial planning sees the opportunity to make this a citywide effort under the bureau of technology services guidelines for software applications. Beginning in the fall, we engaged in an r.f.i. effort, culminating in a number of short demonstrations and discussions with about eight different vendors that came to the city. We used the knowledge there to build an r.f.p., because we had determined from those demonstrations that the products were now viable and mature and something might be available for the city to use. We had about 10 vendors that bid --

\*\*\*\*\*: Eight.

**Murray:** We narrowed that down to three, we engaged in site visits, we had in-depth day-long demos by the three finalists using scripts developed by city employees. Two vendors rose to the top with the company you see in front of you, american management selected as the finalist. The overall cost is \$1.5 million. The time for that -- to this effort is two to three years, so not all of the costless take place in the first year. The first-year costs are approximately \$900,000. And those will be split between transportation and the general fund. We are starting with the pilot program of office of neighborhood involvement, pdot, and vehicle services. For the second and third phases, the though bureaus will buy in as they implement. We have talked to those bureau and engaged the bureaus all along. We have support, very strong support from the enterprise bureaus and a number of the general fund bureaus as well. The ongoing costs are estimated to be about the same as the current budget system, which is about 65 to \$70,000. It is anticipated that this will save hundreds of hours in labor, both in the bureaus and the central budget office. We verified this through

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discussions with other jurisdictions, only one of the jurisdictions we contacted actually went back and computed how much savings, but there was a verifiable savings at least anecdotally, and in one case numerically. This is also structured to support any future e.r.p. System that the city may purchase, it will also support managing for results efforts and a movement toward program budgeting. Part of the intent is to give us in a financial world a. Better opportunity to get information to you more accurately and more quickly. You're all familiar with the scrambling we must do during the budget development process. Gary, do you have anything to add?

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

**Katz:** Questions?

**Saltzman:** The city -- it says here the city determined that commercially available software would meet the city's needs. Does that mean there will not have to be any customization?

**Murray:** Absolutely minimal customization. And that was one of our basic requirements.

**Saltzman:** And who are the -- where did you go to visit clients that were using american management systems?

\*\*\*\*\*: Go ahead.

**Gary Corbin, Project Manager, Office of Transportation:** Gary corbin, the project manager in the office of transportation. We visited a number of locations, we visited clackamas county, which is a user of the software and the city and county of denver. We're also arranging a site visit for live implementation in santa clara county, california. We also talked on the phone to three cities to get further information about how their implementations went with this company.

**Saltzman:** So the city and county of denver are using this product?

**Corbin:** Right.

**Saltzman:** And they're using it, they're --

**Corbin:** They're using it. And the city of memphis is another comparable city that used the software.

**Saltzman:** Ok.

**Murray:** A.m.s. had a large installed base, which is one of the strengths in our viewpoint.

**Saltzman:** That was my next question. How big a company are they?

**Corbin:** They're a billion dollar company. This product is only marketed to governments. They have 78 public sector clients using this software.

**Saltzman:** I guess my only other concern is -- and i'll raise this for the council, we have a request here to allow the purchasing agent to amend the contracts, total compensation in an amount not to exceed 25% of the original contract amount. My own practice with my own bureaus is to limit that to 10%. I think 25% -- first, any time you put these in the ordinance in the contract, you can guarantee we'll be spending that extra 10%, or that 25%. That's just the nature of the beast. So i'd prefer to change that to 10%. I'll leave that -- I think it's more fiscally prudent.

**Corbin:** That was submitted because that is the -- that will be the new purchasing rule as much july 1, and we were trying to be consistent with that, the new purchasing rules coming forward. But whatever the council's pleasure.

**Murray:** I agree with your concerns. If you so wish, we'll live with that.

**Katz:** Since -- refresh my memory. The rule will go into effect july 1.

**Corbin:** That's right. One week from now.

**Katz:** I just want to remind the council you all supported the rule. So this one is going to be treated differently. Which is fine, I just wanted everybody to understand.

**Murray:** Or else I can suggest that we give you -- council more regular reports on what's --

**Saltzman:** I would say this is an information technology system, we don't do those every day. I think this warrants the extra scrutiny.

**Murray:** Yes, indeed.

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**Saltzman:** This isn't goods or services.

**Katz:** Fair enough. Any objections to reducing the amount to 10%? Hearing no objections, so ordered. [gavel pounded]

**Saltzman:** Thank you.

**Katz:** Further questions? Roll call. I'm sorry, anybody want to testify? Roll call.

**Francesconi:** Commissioner Saltzman i'm glad you caught that. That was a good adjustment. Aye.

**Leonard:** Aye.

**Saltzman:** I do think this system will be a big improvement in the way we budget, and it sounds like it will compliment a lot of the efforts we're going on. So I know the f.p.d. in particular is looking forward to it. It sounds like you've got a good off the shelf product, and you've done your homework on the vendor. Aye.

**Sten:** Aye.

**Katz:** Mayor votes aye. [gavel pounded] all right. 730.

**Item 730.**

**Katz:** Are you all here for managing for results? Do you have everybody here? Do you have anything to add to 730? If not we'll go ahead with 730.

**Auerbach:** It's a hearing and then it would go to second reading.

**Katz:** Is there anybody here to testify on 730? If not it passes to second. [gavel pounded] ok. Let's do 665.

**Item 665.**

**Gary Blackmer, Portland City Auditor:** Good morning. I'm gary blackmer, Portland city auditor. On my left is ken gavette, principal management auditor, with our audit services division, on my right is mark murray, who was just up here a few moments ago, the director of the bureau of --

**Mark Murray, Bureau of Financial Planning:** Financial planning.

**Blackmer:** -- financial planning. We had expected gil kelley also, the director of bureau planning. He may be on his way. What we're here for is to present to you a resolution to adopt an implementation plan for managing for results. We were here earlier, and you adopted a resolution to move forward with managing for results in calling for us to prepare an implementation plan by july 1. The -- my office has worked with the office of management and finance and with the bureau of planning to develop a plan. We worked with all the bureau directors in one way or another to develop that. First we had meetings with a small group of directors, and then we had one overall meeting with all the directors. We made a presentation on the draft plan, and they were generally very supportive of our efforts. So to that degree we feel like we have a plan that everyone understands what's to be expected, and feels like it will accomplish our goals. Essentially what our plan can do is improve the management information that we gather, and how it's used to better direct city resources and focus it and ensure that we're getting the results that we intend. We will -- my office will work to verify the management information that bureaus prepare, and I think as a result it will be more reliable, more relevant to the bureau's missions and goals, more detailed because we'll be looking at a program level in addition to the bureau level. And more timely. We're looking at changing our service efforts and accomplishments report to conform more with the budget cycle. So we're going to be retooling that entirely and putting it within a managing for results context. And issuing it to the council in november rather than end of december, as we normally have done. So that gives the bureaus and you a better insight into what's happening as far as performance and results.

**Katz:** Gary, before you go on, explain how you're going to deal with -- link it to the budget.

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**Blackmer:** Actually, I was going to turn that over to mark as soon as I get done talking about the measurement part of it.

**Katz:** All right.

**Blackmer:** Because I think he can certainly give a great context for it as well. So in the coming year, what my office will do is develop a performance measure training manual that we will be providing to all the bureaus and also providing training for their analysts in how to develop consistent, reliable measures related to their missions and objectives. And we'll have that done by october. Starting in october, we'll have the manual done by then. And then we will provide that earlier service efforts and accomplishments report. We're shooting to that that done by november 17. So that we can provide that and the bureaus will be able to incorporate that within it. So let me turn it now over to mark murray, and he can talk about how the budget process is changing to conform with this managing for results framework.

**Murray:** Mark murray, financial planning. Besides the technical work we will all be doing, as the s.e.a., if you -- is turned over to council in the fall, that will become the beginning of the focus point for council deliberations on the budget. So they'll have early consideration passed -- of past performance and be able to give us feedback early on where council wants us to head, and that will play into direction that we give the bureaus during the budget development process, it will also drive changes to the performance measures as presented in the budget document, so if there is a better link between what is put in the s.e.a., what is put in the budget document, and what the bureaus actually use to measure their performance. So it will drive changes to budget direction and guidelines, it will drive changes to our budget manuals, and it will ultimately drive changes to the budget document as well as we focus more on programs and reporting the output and outcomes of those programs. Better link at the citywide viewpoint of performance, down through the program level.

**Katz:** Are you going to be prepared to do that?

**Murray:** It's going to be a tough effort. But we believe there's a lot of -- a lot of it is already there. There's many, many performance measures in the budget document now, some of which are good, many of which need improvement. A number of bureaus have already begun work on improving their performance measures, o.m.f. In particular, and I believe -- who else are you working with right now, gary?

**Katz:** You've got some bureaus --

**Murray:** It's underway.

**Katz:** You've got some bureau that's have no clue.

**Murray:** That's correct. It will take a couple of years.

**Katz:** All right. I just want to flag that. I didn't want to raise expectations so high that everybody thinks you're going to see program evaluations to see how well you've done.

**Murray:** It will be difficult. We -- we all believe we would need more assistance to get this done. Council was kind enough to give one position that we will figure out how best to use between the three organizations, but it -- there's no doubt it will be a challenge.

**Ken Gavette, Audit Services Division:** Ken gavette, audit services division. We've built in a pretty long implementation plan of about 18 months until we finally get everything done, and a long training period we've built in. So our ideas to start with the largest bureaus, the ones we've been working with on the s.e.a. process for the past 12 years, so they have a pretty good head start. We realize once we get beyond those nine bureaus, it's going to be a tougher road to hoe. Hopefully we'll have a lot of experience at that point that we can apply to the other bureaus. Namely we know that the administrative offices are always tough to try to come up with performance measures that are actually meaningful, so that's going to be harder, but hopefully we'll move into that a little bit slowly.

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**Katz:** Gil, we started a little early.

**Blackmer:** Let me give Gil a little opportunity to catch his breath. We've gone over the general framework of what this resolution would do. Next is talking about what my office did, and will be doing, and what Mark Murray's office has been doing, and will be doing. And so we were hoping we could get Gil to give us some broad view of what the Bureau of Planning's role is in this -- in the coming months and longer.

**Kelley:** What I would say is that the auditor's report said that while we were doing strategic issues discussions with the council, what we really need for the organization is a strategic plan. And a way of consistently following through that, putting it into budgets and monitoring our success over time. To do all that, the beginning point is having the plan, the idea in the beginning. And that's principally our role, to lead that discussion. Much as we did with O.M.F. in the strategic issues discussion with you. I would like to clarify that in my view a strategic plan is different from a business plan. There is a business plan for each bureau on how it will deliver certain things. The strategic plan really should say what we mean to deliver, not how. And how we mean to measure our success in that regard. So to that end, we're pulling together, we will be over these few months coming up. The issues you've already identified through the last year or so's process on the strategic plan discussion, as well as discussions we've had with each bureau through my bureau directors group and by looking at each of the strategic plans and mission statement that's each bureau has already developed as a starting point, and then also folding in the discussion that we had during our preliminary budget hearing and sort of the bigger picture planning issues of where we want to go as a community. And that whole discussion about what's Portland's future ought to be needs to lend its way into this discussion as well. So our primary role here is to advance that kind of thinking in this arena, and compliment it with the budget perspective, and with the performance evaluation perspective that Gary's office brings to really have in front of us a document that will be not a static document, but a living document. That essentially allows the council and others who are interested in how the city is meeting its stated priorities and objectives, a way of determining at any given point, are we doing what we said we were going to do, and are we doing ok. So that's I think really the overall effort that we'd like to engage in. We will be -- we've already received feedback that some of those quarterly sessions we had between the bureau directors and council members were not as productive as they could be, not as focused. So we're going to look at different ways to involve the council and bureau stakeholders and maybe more focused sessions to get at some of the thornier issues here. So part of our work will be to sort of figure out the right process for engaging all of us in this effort. We will be having an eye toward, how does this fall out the other end in terms of timing of budget cycles, and in terms of what the evaluation, the annual evaluation schedule might be. And so it may take us more than the first cycle to really refine this work. So we're going into that, into this with our eyes open in that regard as well.

**Katz:** Let me just interrupt. I would hope that you take a look at some of the bureaus that really don't have a management for results, have no clue what they need to look for, what they need to measure. You start with those so that you don't just leave them all behind. Because I know you're not going to be able to do them all immediately.

**Blackmer:** One of the challenges, as we ramp up, we do have set deadlines for budget processes. And the way we've got it set out, we think we can make it work and kind of cycle up, but if we -- if it turns out to be more complicated than we think, we're going to miss some of those, and then we're a year out of sync. But we're hoping we can hit those, but at the same time we're also committed to perseverance and patience and persistence in getting this moved forward, and that's I think the fundamental thing that we need to keep in mind, that this is an interim process, each year we're refining our plans, we're refining our measures, refining our budget process, so I think all of it together collectively over time will produce some I think better information for you to make

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decisions, and it's not intended to lock you in, but it's intended to assure you that what you want gets achieved and the results come back and you get what you wanted.

**Katz:** Fair enough. I interrupted you, gil.

**Kelley:** That's quite all right.

**Katz:** Anybody else have questions?

**Francesconi:** I guess I have questions, or maybe suggestions in two areas. First of all, i'll say it in a minute, this is absolutely terrific work. I actually think this is better than the police review work you did. But the two questions or comments that you can react to, on the resource side, you've got roles for office management and finance, bureau of planning, and auditors office. It seems to me there should be two other boxes. One is for the bureau directors, the major bureau directors. I'm not saying every bureau director, and I don't know -- but the major infrastructure bureaus should be there. P.d.c., pdot, b.e.s., water, parks from my view. There may be a few others. But you should create a team of the major infrastructure bureaus, I think, and they should have a role in this. That's the first suggestion. You can comment in a minute. The second is kind of labor and workers. Part of the deal is investing our own workers in our work force in the strategic plan. And so there should be? -- a box for them as well and some thought given. We saw what -- there should be a role for our workers invested in our strategic plan. As well as the unions. You could comment or you don't have to comment.

**Kelley:** Just on the first point, commissioner Francesconi, the -- I have recently pulled together a group of the major bureau directors as you call them, the sort of capital bureaus, and we now meet monthly on a very issue oriented agenda. I think that group would be great to use for this. We've already started talking with the bigger picture, where are we going questions. And we've had a presentation with them on capital planning citywide, over the long-term. So I think this agenda would fit very nicely with that group. So you are right, they need to be part of the discussion all the way through, and I think that venue will work nicely for them.

**Katz:** And gil has done that, and that's part of his role, if you recall. However, if there are -- i've told him, if there are bureau managers that have refused to participate because gil is not their boss, so i'm not their boss, you'll hear about it.

**Blackmer:** Some of them have heard from me already.

**Katz:** They did:

**Murray:** A quick comment on the involvement of labor. I have a meeting today at 3:00, i've been tasked with getting labor more involved in the budget process. I have an initial meeting this afternoon. So that will begin to play into this overall effort. So i'll bring that up in the context of that discussion.

**Francesconi:** In spirit of what you're doing, I think the first thing out of the box instead of the budget process should be in the strategic planning with the budget process being part of it. It might be a better way to start the meeting.

**Murray:** This is an exploratory meeting, so we'll bring it up.

**Katz:** Ok. Any further questions? Thank you. Is there anybody to testify? If not, roll call.

**Francesconi:** This could be, if we, we collectively following through on it, one of the most important ordinances or resolutions we actually vote on. And if we all need to do our part to try to have the first completely programmed based budget published by june of 2005, as it's said in this document, the way of doing business with the strategic plan that leads to program-based budgets, that leads to improved performance budgets, that leads time proved public reporting is the right way to do business. So you are to be really complimented. On the parks side of this, zari has just hired a terrific planning person who understands this as well as the people sitting at this table. And in fact we're going to come in with performance -- and i'm talking about that side of the table. These - - they're coming in with performance measurements not only on the whole budget and the program

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side, but on the levy to sort out performance, clear performance measurements even on the operations side, not just the capital side. So the good work you did, gary, along -- a long time ago with parks is really, you're going to see it bearing fruit now that we have the talent to actually implement it with the talent in the right position. I think pdot does a pretty good job already, but i'll double-check this. I've seen their documents, but i'll make sure. So anyway, thanks for starting and continuing us on this path. Aye.

**Leonard:** I agree completely with what commissioner Francesconi has said. I would just say that I have viewed my role here less as a -- I don't want to say that, because somebody will take that wrong. I'll just say I have viewed myself as a manager, and not such a glorious kinds of work. And these are tooth that are -- tools that are for me exciting. And at the bureau of development services, we have actually in taking some of -- been taking some of this work and we are developing performance standards, and this idea that commissioner Francesconi talked about and mark's engaging in of involving employees more in decision-making process, isn't a, for me, a concession to workers. It's smart management. We have -- if you look at the bureau of development services' intrawebsite, we have just put up an employee suggestion box. And employees are taking advantage of this, and i'd encourage everybody to look at that. What they do is actually write suggestions in -- and they go on the intranet site, and then they can track how that suggestion is going through the process, where it's at, where its status is. And we get suggestions everywhere from signs for customers, to different kinds of chairs, to more chairs, to more desks, to very, very, very technical suggestions on how to improve the bureau of development services more. And we've learned a lot from that. And it's a huge resource, I think, in this -- what you're trying to get at that has been untapped, I think, to a large extent. So this is really for me very exciting kinds of stuff, and I really appreciate the focus. Aye.

**Saltzman:** Good work. Aye.

**Sten:** I think it's excellent work. Thank you. Aye.

**Katz:** It is a lot of history on this. Let me remind everybody. The legislature and talking about benchmarking, and the whole issue of benchmarking was to see if we actually got results for the things that we were investing in, and for the things that we all were talking about. And that then -- if I recall correctly, governor roberts wanted to meld that into the budget process as well. So this is -- has some history. I don't know how successful that history is, my hope is that because of the teamwork here and the fact that every member of the council is interested, and it's going to -- and is going to take some responsibility, it should be successful. And the progress board started on results. And the s.e.a. report that's gotten queued 0s from nationally, and internationally, based on where are you in terms of delivering what you as a community has set as a goal. So now we're really going to dig down into the programmatic issues, and i'm pleased with it, because i've always asked some of the questions during the budget period. So what is the community really getting out of this particular program. Yes, it feels goods, it sounds good, but what are the end results? Not easy. I just want to flag that. That is not easy to ascertain. But very important to begin the work. And this is beginning the work, and gary and gil and all of you, thank you. [gavel pounded] aye. We will adjourn until 2:00. I need to flag to you, it's going to be a long afternoon. So please don't disappear on us. We stand adjourned until 2:00.

At 11:01 a.m., Council recessed.

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**Katz:** We won't start, but the timing, the staff report will be about 20 minutes, and then the appellants for 20 minutes, and then anybody else, three minutes later, and then the principal opponents will have 25 minutes, and then the appellants will have five minutes for rebuttal.

**Katz:** We'll wait another minute. We have enough to start, but usually if it's a land use hearing i'd like to have everybody rather than have people come in between or late.

**Katz:** Karla, why don't you read 731.

**Item 731.**

**Katz:** Ok. Kathryn?

**Kathryn Beaumont, Office of the City Attorney:** Good afternoon. Before we begin the hearing I have several announcements concerning the nature of this hearing, the order of testimony and guidelines for presenting today to the city council. First as to the kind of hearing. Today's hearing is an on-the-record hearing. This means you have to limit your testimony to material and issues in the record. During this hearing you can only talk about the issues, testimony, exhibits, and other evidence that were presented at the earlier hearing before the hearings officer. You can't bring up anything new. The hearing is designed only to decide if the hearing officer made the correct decision based on the evidence presented to him. If you start to talk about new issues or try to present new evidence today you may be interrupted and reminded you must limit your testimony to the record. Sec, as to the order of testimony today, the hearing will begin with a staff report by sylvia kate of the bureau of development services for approximately 20 minutes. Following the staff report, the city council will hear from interested persons in the following order -- the three neighborhood appellants will go first, and we'll have of -- will have a combined 20 minutes to present their case. Following the appellants, persons who support the appeal will go next. Each person will have three minutes to speak to the city council. Following supporters of the appeal, the applicant, the port of Portland, will have 25 minutes to address the city council, and rebut the appellant's presentation. After the port, the council will hear from persons who oppose the appeal. Again, each person will have three minutes. Finally, the appellants will have a combined total of five minutes to rebut the presentation of the port. The council may then close the hearing and deliberate. Take a vote on the appeal. If the vote is a tentative vote the council will set a future date for the adoption of findings and a final vote on the appeal. If the council takes a final vote today that will conclude the matter before the council. If you wish to speak to the city council on this matter and have not signed the list located outside of council chambers, please sign up at this time with the council clerk. Finally, as to the scope of testimony, the following are some guidelines for presenting testimony today. Again, this is an on-the-record hearing. This means you must limit your remarks to arguments based on the record compiled by the hearings officer. In presenting your argument, it's permissible to refer to evidence previously submitted to the hearings officer. It's not permissible to submit new evidence today that was not submitted to the hearings officer. If your argument includes new evidence or issues, the council will not consider it and it will be rejected in the city council's final decision. If you believe a person who addressed city council today improperly presented new evidence or presented a legal argument that relies on evidence that's not in the record, you may object to that argument. Finally, under state law, only issues that were raised before the hearings officer may be raised in this appeal to city council. If you believe another person has raised issues today that were not raised before the hearings officer, you may object to the council's consideration of that issue. Finally, i'd like to turn to one procedural issue that was raised in the appellant's appeal. That issue -- the issue that was raised was that the hearings officer erred by accepting a piece of evidence attached to the port's rebuttal at a point in time when the hearings officer had indicated that rebuttal should only consist of argument, not new evidence. And the

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piece of evidence that's referred to is an april 18, 2003 letter from a representative of the federal aviation administration. I've reviewed the record, i've reviewed a transcript of part of the hearings officer's hearing, and I agree with the appellants, that that -- it was improper for the hearings officer to accept that letter from the f.a.a. during the rebuttal period. He made it very clear that rebuttal was to consist of argument, not evidence, and also made it clear that if you offer new evidence I won't consider it. Unfortunately, that didn't happen. And while the hearings officer did not appear to rely on the f.a.a. letter as a basis for his decision, he did include it in the record and quoted on page 62 of his decision. In a memo to you, i've outlined two options available to you to address this issue. First, you can rule that it was error for the hearings officer to accept the letter from the f.a.a., exclude that document from the record, and indicate that you will not in anyway rely on that letter or the portion of the hearings officer's document that quotes it. A second option is to reopen the evidentiary record for the limited purpose of allowing interested persons to respond to the f.a.a.'s letter. I recommending that the first option is the most simple and effective way to address this procedural error. And you may -- and suggested -- that you may want to address this at the outset of the hearing.

**Katz:** Ok. So what i'm going to ask for is a motion right now, hopefully to accept the recommendation that kathryn laid out, just because of time constraints.

**Saltzman:** I'll make that motion, the first option.

**Sten:** Second.

**Katz:** The council will rule that the procedural error is -- will be excluded from the record and that the council will not in anyway rely on that letter for making their document. Ok? There's a second.

Any objections? Hearing none, so ordered. [gavel pounding] all right. Let's start with the staff report. Well, no. Conflicts of interest.

**Saltzman:** I have a statement. Just a minute. Conflict of interest? Declaration of? Declaration of ex parte contacts on this issue.

**Saltzman:** Yes.

**Katz:** You have an ex parte contact?

**Saltzman:** I'd like to disclose.

**Katz:** Oh, ok. Go ahead.

**Saltzman:** First of all, I wanted to say that as the commissioner who helped create the airport issues round table and appoint its members I have a keen interest in the future of the airport and the neighborhoods impacted by it, and my office currently is involved in negotiations on the intergovernmental agreement between the city and port for future legislative planning effort around Portland international airport, but all those briefings and information I have received regarding the i.g.a. has been confined in scope to future legislative impact, so the -- I have met with the port executive director within the last two weeks, however we did not discuss the condition of the master plan. We did have discussions about the legislative effort going on. That's what I wanted to disclose.

**Katz:** Anybody else? Anybody in the audience wanting to challenge our silence on these issues with the exception of commissioner Saltzman's ex parte contact? None? All right. Staff report, 20 minutes.

**Sylvia Cate, Senior Planner, Bureau of Development Services:** Good afternoon, mayor, and commissioners. I'm sylvia cate, senior planner with the bureau of development services. The reason we're here today is three neighborhood associations have appealed the hearings officer's decision approving the airport's master plan. In the appeal statement submitted to the city, the issues and concerns expressed fall into four broad categories -- the term of approval, noise, public benefits versus impacts, and a procedural error which you have just now corrected. Before I discuss the appeal issues in detail, I would like to provide with you -- for you some context by briefly

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describing the master plan proposal and give you a virtual site tour. The port has requested approval of a new conditional use master plan that will guide development at the airport during the next eight years, or until the master plan is superseded by adoption of new zoning regulations such as a plan district. The master plan proposal includes 37 potential development projects, as well as a concurrent conditional use review and an adjustment to landscaping standards. Two of the proposed projects will require future environmental reviews and approval before they can be initiated. In addition to this conditional use master plan review, the port is also actively engaged in the required annual certification called the part 139 process with the federal aviation administration and is approximately midway in the part 150 noise abatement plan update, also under the authority of the f.a.a. We'll now go on a brief site tour of the airport we've provided hard copy maps at each of your stations, and the top page has a color map. They're for your convenience to refer to as specific sectors of the airport are discussed today. The airport site is almost 3,000 acres in area, or nearly five square miles. It is the large conditional use master plan site in the city and has the most complex uses of any site within the city. No revisions to the prior planned master plan boundary are proposed. Cascade station, Portland international center is not part of the master plan boundary and is subject to separate plan district regulations. The site is almost exclusively zoned industrial with a small area of general employment and the open space zone is applied along the Columbia river frontage. The h or aircraft landing overlay and the x, noise overlay, covered the entire site. Very small portions of the site have environmental zoning and a scenic overlay follows northeast marine drive. The port has divided their site into 10 different activity sectors as listed here, and shown on the activity sector map, which you have a copy of in your packet, I believe it's page two. The airport is a unique land use subject to a hierarchy of federal, state and local regulations. The site also is subject to a unique regulatory division in terms of airside and landside. Regulatory authority also follows this airside/landside division. Development of landside facilities at the airport are subject to the regulations of the zoning code. This map depicts two activity sectors which are not subject to city code administration. This includes the airfield, which is regulated by the f.a.a. and a military base, which operates under the department of defense. This area is also exempt from city codes. The airfield is the largest sector of the site, comprising almost 1,190 acres and development within the airfield is not subject to the development regulations of the city, nor does the city review or issue building permits for airfield development. The military base is adjacent to the airfield with frontage on Cornfoot row. This map depicts the landside division of the site, and during the next several slides we'll look at the highlights of significant development proposed within the landside activity sectors. The passenger terminal sector is the most intensely developed portion of the site, and is roughly 144 acres in size. The port proposes 13 potential future development projects within this sector, the most significant being the terminal expansion east, or t.e.e., that is expected to be initiated about 2010 when the passenger load at p.d.x. reaches 20 million annual passengers. Passenger loads at p.d.x. have been in the 12 million to 13 million range in the past two years. The north airport way and south cargo area are two activity sectors near the terminal. These sectors are bisected by northeast airport way. The most significant proposed development includes up to 25,000 square feet of commercial and/or office uses in the ig-2 zone. This proposed development requires a concurrent conditional use review, which was approved by the hearings officer. Another significant activity sector is the airtrans center found west of the military base along Cornfoot row. This is a view looking at one of the older hangar in this sector. This hangar would be demolished and redeveloped with aviation-related uses. Additional development is proposed in the southwest quadrant. This graphic depicts the development footprint in this activity sector. The proposal to fill wetlands in the southwest quadrant is subject to a future environmental review and approval, as well as review and approval by a number of other agencies before the fill project could be initiated. The master plan

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environmental criteria allow for a provisional approval of proposed development in the overall context of the master plan, while ensuring that multiple projects do not have an adverse, aggregate or cumulative impact on protected resources. Two future environmental reviews are required before two proposed projects can take place in the environmental zones on this site. As mentioned earlier, the port is undergoing several review processes separate and independent of this land use review, but are pertinent. The f.a.a.'s annual part 139 certification is relevant, because it requires the port to update their wildlife management plan. As part of their wildlife management plan, the port is proposing site specific landscaping and vegetation management designed specifically to help reduce the potential for bird strikes occurring at the airport. Bird strikes are a serious hazard that can result in significant aircraft damage, downtime, flight delays, and potential injuries to pilots and passengers, and certain fatality to the birds involved.

**Katz:** Is that dent an air strike?

**Cate:** Yes, ma'am.

**Katz:** Wow.

**Cate:** These pictures are from several significant birth strike events that occurred at p.d.x. during the past two years. In order to implement this wildlife management landscaping program, adjustments to city landscaping standards are required. The hearings officer approved these adjustments. The adjustment approval allows implementation of the proposed landscaping for the entire airport site, except within the environmental zones. A separate and future environmental review will be required to implement the landscaping program in these areas. The hearing officer found that the proposed conditional use master plan satisfies all applicable approval criteria, and therefore approved the application with conditions. When identified thresholds of potential impacts from the growth are reached, required landside mitigation measures will be implemented in tandem with the development as required by the conditions of approval. The proposed development will allow the airport to expand facilities and services that meet identified future needs. These needs and the mitigation of the new development will be dependent on a -- on a number of factors, such as airline demand, funding availability, parking adequacy, and other thresholds. Now to the appeal issues. The first appeal issue relates to the term of the master plan. In his decision the hearings officer noted that the requested term of eight years was contested, but found that there's absolute certainty that once this master plan is superseded by a future zoning vehicle, it will no longer remain in effect. Thus if the future p.d.x. plan district is adopted within five years as targeted, the remaining three years of approval become moot. The hearings officer also found if the master plan term was shortened, there was risk that it would expire prematurely, requiring diversion of staff time and funding in order to re-review and extend the term until the future planned district could be adopted. Noise is also a concern, and this issue was raised before the hearings officer. In his decision, the hearings officer noted that the impact of impact of airport noise is unique characteristic, and stretches far beyond the approve master plan boundary. The most significant source of noise is aircraft flight operations, and the decision notes that the city has no jurisdiction over noise related to airside operations due to federal preemption. Under the noise criterion a hearings officer notes that the f.a.a. has an approved noise abatement plan in effect until superseded by an amended or new noise plan. The hearings officer found that the applicant met the literal demands and requirements for the noise criterion when you see at the top of the screen. In his decision, the hearings officer noted that on balance the public benefits of the airport outweigh the unmitigated impacts. He further found that the denying of this application, or conditioning its approval with requirements for additional noise mitigation measures, lies outside the city's jurisdiction and would violate federal law. The city is required to make a final decision in this matter no later than July 31 of this year. With me today are Douglas Hardy and Tom Maguire, two planners also assigned to this review, as well as Elizabeth Papadoplus of Portland transportation.

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There may be other concerns or issues raised during public testimony today that were not included as specific appeal points as submitted by the neighborhoods and discussed in this presentation. Land use and transportation staff will be available during this hearing to answer questions by the council or to clarify city code as necessary. This concludes staff's presentation.

**Katz:** Thank you. Clarifying questions of staff? If not, the appellant, you have 20 minutes. Three neighborhood association, come on up. Two.

**Katz:** Just a warning, make sure you divide your time fairly equally so the last person doesn't get tuck with one minute.

\*\*\*\*\*: The first two will be short. We've heard he'll take longer.

\*\*\*\*\*: And i'm long-winded.

**Katz:** All right, go ahead. Grab the mic and identify yourself.

**Ellen Eaton, 618 NE Faloma Road:** My name is ellen eaton, I live at 618 northeast faloma. Honorable mayor Katz, commissioners, I will be addressing issues that involve the east columbia neighborhood association directly and the economic standards available through the bureau of economic analysis. My colleagues will address other issues that have more to do with technical information than I can do. The bureau of economic analysis report from april of this year clearly shows how the economy is continuing to drag behind the standards that were used to build the most recent Portland airport expansion involving the parking and flow of traffic for unloading and loading. So currently we have an airport that is being under-utilized. There is no economic indicators presented by the federal government to warrant construction that would involve expanded facilities in an additional runway. It behooves the city to have the master plan reviewed in three years to see if economic indicators have changed to warrant a master plan, then continue with a three-year review to assess the most current economic indicators. As people who live in the neighborhood west of Portland airport, east columbia neighborhood, we continue to be concerned about the inaccuracies being used by the hearings officer to base his decision regarding the Portland airport master plan. To state those against the project wanted all 37 projects stopped is unfair and grossly inaccurate. To state that there are not ways to study the impact of noise, or the negative impacts of prolonged excessive noise on both wildlife and residents' health is unfortunate and untrue since other government projects are required to study those factors, such as the expansion of i-5 from delta park to columbia. Land value would be affected because of the restriction of zone code x and the fact that this zone would now be extended. The only way to have a normal everyday life during the summer due to increased noise would be to outfit every house with insulation, noise reduction windows and air-conditioning. For example, because my house does not have air-conditioning, my morning conversation today was halted five times during the first 30 minutes of breakfast due to airplanes. We're not zoned x. We are concerned about the long-term noise pollution and air pollution impacts on humans, wildlife and wetlands. While we all agree to live near an airport and learn to live with the noise, an increase of at least a third will make this area unlivable. We are having a neighborhood picnic to which all of you are invited on july 26. It would be helpful for you to experience the natural spaces and the wildlife at the children's arboretum having our picnic. It will be meaningful for you to come to this event and note how many times the conversation will stop because of noise. Perhaps this will give you further information as far as revising the Portland airport plan. Thank you for your time. And it's appreciated.

**Katz:** Thank you.

**Mary Dorman, 6131 NE Alameda, 97213:** Good afternoon, mayor, and city commissioners. My name is mary dorman. I live at 6131 northeast alameda in Portland, 97213. I'm the land use chair for the rose city park neighborhood association. Our chair had a conflict of interest on this case and so I was assigned the representation role. I did not participate directly in the earlier public hearings,

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however i've reviewed the application materials, the staff report and the hearings officer decision and i'm confident that the issues i'm going to talk about today were raised by others and discussed during the public hearings. Therefore my comments are based on the existing record and do not raise new evidence. Our neighborhood association is not asking that the city council delay or deny the port request for a conditional use master plan approval. We recognize that p.d.x. Is a facility of regional and statewide significance and it's a key component of our transportation infrastructure and our economy. Personally I find that it's a real amenity to live so close to the airport. However we believe that the hearings officer made serious errors in his decision and request that the city council make a few reasonable modifications to the conditions of approval. I plan to touch on three major themes in my testimony. First, the proposed eight-year term of the permit is too long and should be shortened to five years. Sec, the hearings officer gave minimal attention to the individual projects that make up the list of 37 projects included in the application. In particular, our neighborhood association believes that two of the larger projects, the terminal expansion east, project seven, and the approximately 1 million square feet of development in the southwest quadrant, project 29, should be removed from this permit and instead addressed through the legislative process. Third we, believe the hearings officer glossed over the type of information on transportation and noise impacts that the port and city agreed would be included in this application when the january 3, 2002, i.g.a. was signed by mayor Katz and port director wyatt. Our first issue relates to the term of the permit. We understand that the code allows conditional use master plans to run from three to 10 years and the port's requested eight years. I think we all recognize that p.d.x. is a large and unique land use. The site includes about 3,000 acres inside the city limits. The airport provides local, regional and statewide benefits, yet the immediate impacts of the use, particularly those related to noise and traffic, fall disproportionately on certain neighborhoods. Addressing a land use of this scale and complexity through a quasi judicial process with a decision made by a single hearings officer does not make sense from a planning perspective. Neighborhood advocates have argued this point and the city and airport have agreed and entered into a i.g.a. The legislative process would provide the opportunity for public hearings and deliberation in a broader public forum before the planning commission and city council. The adopted i.g.a. anticipates that this effort would be completed by 2008 or within five years. Five years is a reasonable amount of time to make the transition from a conditional use permit to a planned district approach. The city has extensive and recent experience with planned districts. The planned district for cascade station, Portland airport -- Portland international center was adopted within a few years. I also believe that the planned districts for albina and the central city plan were prepared within less than five years. Even though they include large and diverse geographic areas, and hundreds, if not thousands, of different property owners. In the case of p.d.x., we'll be dealing with a large site under one ownership with related land uses, a framework of existing improvements, and approved plans. We will not be inventing the wheel here. And granting an approval for a term of five years will provide more than adequate time for a transition to a more appropriate legislative planned district. At a minimum, we urge the city council to condition this permit to at least have the port prepare the necessary technical studies and draft the text for the planned district and have it ready for public hearings within five years. Our second issue relates to the first. In shortening the term of the permit, we believe that some of the larger projects should be pulled out of this approval. I've already mentioned those earlier. The magnitude of the projects that's included in this application is extensive. They total more than \$3.8 million gross feet square feet of development and the existing development on the site, built over decades, totals about 5.7 million gross square feet. Therefore this application provides the potential to build up to 66% of the total development that exists there today. I don't want to leave too little time for you, so I think i'll close here and then hand it on to the next person, but i've submitted written testimony.

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**Katz:** Thank you.

**Erwin Bergman, 5330 NE Holman, 97218:** Thank you very much. Good afternoon, mayor Katz, commissioners. My name is Erwin bergman, I live at 5330 northeast holman in Portland. I'm testifying for the appellant kelly association neighbors. Cully is located directly south of p.d.x. and one of the most impacted neighbors. I serve on the association as a quality of life adviser. My qualifications, i'm not a lawyer, however as a environmental specialist with the Bonneville power administration, u.s. department of energy, my work for nearly 15 years consisted of review and prepare documents up to the e.i.s. level. I prepared guidance documents for construction operation and maintenance practice high capacity electrical transmission facility many at that quarter level and also in the field. My colleagues and my work was coordinated with and validated by in-house legal staff to withstand potential federal and state court reviews. I feel rather competent to address this issue. For more than 10 years I have been member of the p.d.x. citizen advisory -- noise advisory committee. The last nearly six years, appointed by you, mayor Katz, representing the city of Portland. I was a member of the p.d.x. 2000 master plan advisory committee, and in the conditional use permit advisory committee. I can thus claim a lot of knowledge about p.d.x. activities and aviation issues, specifically regulatory requirements. Three years ago, after approximately five years solo push five was pdx to abate pdx ground noise severely impacted the neighborhood, we now have for two years a 7.8 million ground oneup enclosure, the second in the u.s. which does a nice job in reducing noise impacts. P.d.x. previously argued with me that federal preemption superseded state of Oregon noise regulations. In a detail law review I proved p.d.x. to be in error and we got the g.i.e. Cully sees the following 10 points as grounds for rejecting the conditional use permit application as submitted by p.d.x. and approved in its entirety by the hearings officer. Cully is extremely concerned about adverse impacts to our quality of life due principally to aircraft noise, increased traffic burden, and potential loss of land suitable for residential development to the increased noise overlay, etc. And its conversion to commercial and industrial use. Our concern is magnified knowing that p.d.x. expansion delineated in this conditional use permit is a precursor to -- for phases two and three, the new terminal and third runway, only separate in time from this proposed conditional use permit expansion. Please be aware that we are not in anyway advocating closing p.d.x. or reducing its capacity, nor are we opposing all 37 projects identified in the conditional use permit request. We only oppose terminal expansion east, t.e.e. and proposed development in the southwest quadrant of p.d.x. which we believe would be responsible for the most serious adverse impacts to cully. T.e.e. is an expansion of the existing terminal by about 1/2 million square feet, and the southwest development encompasses approximately 150 acres and approximately 1 million square feet in cargo facilities. Many more additional flights operation will be generated by these large additions. Please note, that all our arguments in opposition have previously been presented in oral and written testimonies, and no new arguments are being introduced. The principal reason for our position is most clearly described by the u.s. Supreme court in the case burbank versus lockheed, where they said the noise problem is basically a conflict between two groups or interest. On the one hand there is a group who provide various air transportation services. On the other hand there is a group who live, work and go to schools and churches in communities near airports. The latter group is frequently burdened to the point where they can neither enjoy, nor reasonably use their land because of noise resulting from aircraft operations. Many of them derive no direct benefit from the aircraft operation, which create the unwanted noise. Therefore, it is easy to understand why they complain and complain most vehemently. Our arguments -- number one, known facts -- in drawing his conclusion and making findings, the hearings officer did inadequately independent research and used poor logic. In his finding he rejected our argument that expansion of the terminal by approximately 60% together with a very large expansion of cargo handling facility would equate an

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equally large increase of aircraft operations. This seems to be a reasonable deduction for why should you otherwise build. The hearings officer found that no construction at p.d.x. was necessary to accommodate three new air carriers initiating service into p.d.x. our rationale, according to the hearings officer, had no merit and was discarded by him. One minor detail that the hearings officer ignored was that operation at p.d.x. where at a high of 329,745 flight operation 97 but were down in 2002, we're down to a low of 276,875 operations, a drop of 52,807 operation, hardly a trifling sum. Would it be logical to assume that somehow or another the approximately 600 annual operation by these three air carriers could be accommodated without new construction? We seriously reject and resent the hearings officer's poor logic and arguments invalidating one of our main objections, namely the great increase of operations which could greatly affect our livability. Number two, no hard and fair look. A glaring shortcoming in the hearing process was the total absent of city aviation expertise, thus precluding a meaningful independent and thorough inquiry into submitted data, especially data submitted by p.d.x. Obviously the scale of the proposed activities should have called for this. As a result, city staff only regurgitated information and conclusions supplied by p.d.x., subsequently echoed by the hearings officer. At the same time we discovered that a large amount of our thoughtfully and carefully researched testimonies supplied in opposition was totally or partially ignored like it was never submitted or in the form of little paper scraps. We suspect that the bureau development service staff probably never even looked at much of our testimony and we find this rather disheartening. Number three, the conditional use process is not appropriate for p.d.x. expansion. The conditional use process underway has been identified as unsuitable and inappropriate because of the immensity of all the p.d.x. proposed actions. The conditional use permit is to be superseded in 2008 by a legislative plan district. With this in mind the requested conditional use permit time frame should not exceed the agreed upon effective date of the legislative planned district. Only actions/projects are likely to be deliverable should be included in this permit. With the uncertainties and the worldwide political and economic climate, including the status of airline industry, even a rather short-term prediction of two to three years represents little more than educated guessing game. A look back into the past may provide also little guidance. A five-year conditional use permit would bring us both to the threshold legislative plan implementation and like-wise to the time when both politics and economics have settled out hopefully for the better. This is what we recommend -- the five-year conditional use permit. Number four, an excessive -- pardon me -- and unrealistic wish list. In the conditional use permit, p.d.x. has come in with an extremely large wish list that even with the most optimistic climate and forecast could not be implemented in the requested time frame. Projects be on a time frame of any conditional use permit, either eight years or an alternate five-year time frame should be axed, especially project details and their impact levels are lagging. Part 150 study will not be completed until next year. Number five, the city loses control. The consequences of approving in the present conditional use permit application. Should the city approve the p.d.x. plan as presented, p.d.x. would have wrestled away essentially all control over its activity and growth away from the city. The f.a.a. has already approved the layout plan for p.d.x., including the new separate terminal at the southern perimeter, close to the columbia slough and the third new runway also in that vicinity. The f.a.a. -- we have an f.a.a.-signed copy of the layout plan, only waiting to be signed off by you as a land use authority. Thus you may be sealing the future activities for the next two decades. Be also aware that with the effect of more closely-spaced aircraft operation, a much greater dispersion of air traffic over the city would result, which in all probability would bring aircraft over parts of the city which have so far been relatively little affected by aircraft over flights and only exacerbating the noise problem. Mayor Katz, you may remember a few years ago this option 22 test. That was to test the early turn of departing aircraft from p.d.x. as a capacity enhancement. I remember that you and many thousand Portland citizens voiced their opposition. In this case it will

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not be just a test, but it will be long-term reality. Number six -- part 150 is not a noise abatement plan. Is it a noise abatement plan? P.d.x., bds and hearings officer all tout in unison the value and effectiveness of the part 150 noise abatement plan. Being developed now by the pdx contractor. As it clearly surfaces in written material by bds staff and the hearings officer, their understanding of the plan and its value and effective is frightening and minuscule. First part, 150, is not a noise abatement plan, but a noise compatibility study. Its main purpose especially as the f.a.a. sees it is to provide an exclusionary zone for noise rather sensitive users such as residents, churches, schools hospitals, etc. via zoning and land users stectioned to be instituted by local government. Secondly, while operational adjustment in the operation of aircraft form an integral part of this study to reduce noise of this sort, approval and implementation of such measures is at the sole discretion of the f.a.a. Typically most of latter true abatement measures rejected by the faa are only approved on a voluntary basis. Thus in essence being marginal at their very best or totally useless. To assume as p.d.x. and the hearings officer that as p.d.x. suggested that -- that the part 150 will do glorious things in noise abatement is truly a folly. Mr. Sandler, who for over 50 years served on the citizen advisory committee is now working on his third part, 150 --

**Katz:** Sir, your time is up. Why don't you finish your thought.

**Bergman:** Ok.

**Katz:** I see you had another three pages.

**Bergman:** One of the main item, the port is in noncompliance and the f.a.a. is in noncompliance with neap for not filing a nepa statement, and because it is required and that the federal preemption issue, basically you folks have land use authority and zoning authority, and only you. F.a.a. does not enter into the picture whatsoever, and I have a comment on the improper use of the document by the f.a.a..

**Katz:** We took care of that.

**Bergman:** Pardon me?

**Katz:** We took care of that.

**Bergman:** Oh, yes. And if I could quickly sum up my recommendation. First, the five-year --

**Katz:** We heard them.

**Bergman:** And as a final thing, i'm asking for compensation for loss of quality of life.

**Katz:** Oh, ok. Thank you.

**Bergman:** Thank you very much.

**Katz:** All right. Appellants, three minutes.

**Moore:** Three at a time.

**Katz:** Go ahead.

**Fred Stovel, 3125 NE 52<sup>nd</sup>, 97213:** Good afternoon, mayor Katz and city commissioners. My name is fred stovel, Portland. I'm the chair of air representing represents from 12 neighborhoods. My only aviation expertise comes from 29 years as an air force pilot. Air testified before you in 2001, and you know that history quite well. We were participants in the development of the first i.g.a., and encouraged the city to become involved in the noise compatibility study and the bureau of planning is doing that. And we're also participants in the second i.g.a. discussions underway. In the conditional use process we took a step backwards. The port insisted they had to include all phase one of their master plan, not just the unfinished projects and elements of phase one agreed to in the i.g.a. It's not just leaving out the third runway and decentralized terminal. There's specific language about what was supposed to be in the conditional use. A matter of the letter in which you voted to exclude, it would be fine if we could think that the hearings officer disregarded the idea of federal preemption at almost every turn. He said that you couldn't even have a future noise plan because the f.a.a. had to control airside activities. He said that the -- the part 150 was the noise plan, even though the city attorney in her letter of december of 2000 specifically said, no, the code

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doesn't specify what kind of noise plan. And then it gets twisted around to say that somehow federal law and state law require the f.a.a. to do this voluntary part 150 procedure. And I think that it should be reexamined as to how often the word "preemption" reflects on the hearings officer's logic and then finally the decision, whether you take that almost whole letter, which he quoted, out of the document, out of the decision, you still can't take the word "preemption" out. And you have testimony from an aviation lawyer submitted for this hearing that says you have absolute right to use noise as a judgment as to whether or not you're going to grant land use authority. And we quoted the supreme court decision that mr. Bergman quoted, burbank versus lockheed aviation terminal. It's unassailable, and i'm sure that with a little research the city attorney would concur in that guidance. And mr. Bergman also referred to the fact that through a rather convoluted f.a.a. process the f.a.a. has now approved a plan which is the official plan for airport development, not the port's 20-year master plan, but the f.a.a. airport layout plan, which shows all of this conditional use process, the decentralized terminal, and the third runway awaiting land use approval, and then followed by the f.a.a. environmental analysis.

**Katz:** Thank you. Your time is up.

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

**Katz:** Thank you. Grab the mic.

**Kerry Brown, 3546 NE 152<sup>nd</sup> Av., 97230:** Mayor Katz and city commissioners, my name is Kerry brown, 3546 northeast 152nd, Portland. I'm opposed to the big projects of the conditional use master plan for the Portland international airport until the city of Portland can assure us that health risks, zone changes, and expanding flights over our community won't result. Airports are known to be a major source of pollutants. Because the p.d.x. terminal expansion is a land use issue, it could continue to devastate an impact the residents of east county, as well as diminish the quality of life for a vastly larger area. The port knows they have flight problems, even with the 1980 noise abatement routes, and the 1996 noise plan, but the city continues to allow density, such as poorly-planned infill and new neighborhoods, with multi-level homes under current flight paths that were not there when the city code for the airport was written. Not of this is the f.a.a.'s fault, but it is time to tell them this is hour airspace. The wilks community is continually abused by zone changes, and there's a total disregard. It's unrealistic to add density and overlay over aircraft noise. I've recovered from cancer and surgeries and chemotherapy. Cancer and other health risks around airports is well documented. I'm not the only resident under the flight path to the south runway who can smell the jet fuel, especially when the cloud cover is low. I've found jet fuel in my birdbath, driveway and pond. In 2000, the d.e.q. estimated that 13% of the pollutants from the metro industry come from p.d.x. airplanes. Yet, it is virtually from meaningful regulation. The port has a long list of mistakes and is single-minded when it comes to airport expansion. It is important not to take a traditional attitude with them, but it is important that the port of Portland come straight with the citizens, with the future decisions tied into airport expansion. It is a much more pleasant process when the city and the port interact with its citizens. The long-term construction, landscape changes, erosion, noise traffic congestion, damage to the wetlands, and habitat, have to be balanced with urban growth. P.d.x. is certainly an urban growth problem. I must also comment on the ineffectiveness of the present f.a.a. and the noise abatement team. When citizens call or write about noise and low-flying commercial and cargo airlines. I've been in their offices. I've had them document the illegal altitudes some jets continue to fly over our neighborhoods. If the present system is unresponsive, how can you give approval for the 40% expansion with unknown consequences? I realize that committees and meetings have come and gone for more years than we need to remind the port and city of Portland with regard to airport concerns. How many hours and how many dollars are going to be spent before we solve these ongoing issues?

**Katz:** Thank you.

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**\*\*\*\*\*:** What can the city of Portland do to help us prevent future health risks?

**Katz:** Thank you.

**Francesconi:** This is just kind of a general question, but I could hear from your testimony that you think the port's got to do a lot more in order to improve relationships with the citizens in the neighborhood. Are they on the right path? Are things better than a couple years ago?

**Brown:** No.

**Francesconi:** Ok.

**Katz:** I'm sorry, you said no?

**Brown:** No.

**Katz:** Ok. Go ahead.

**Gary Kunz, 1611 NE Marine Dr., 97211:** Mayor Katz, members of city council. My name is Gary Kunz, I live at 1611 Northeast Marine Drive. My involvement with the p.d.x. noise abatement program goes back to the 1980's. I currently serve on the citizen noise advisory committee appointed by the port of Portland. The port asked me to serve on this committee because they find me to be a knowledgeable individual, play fair, and someone they can work with. They think I'm a reasonable guy. Years ago we all realized that the method of dealing with p.d.x. land uses was completely inadequate. There was no way a hearings officer could take testimony, review complex issues, and render a viable decision in the time frame required. To that end the port, city and community last year agreed that a new method was needed. The city and port entered into an intergovernmental agreement in which they agreed to create a legislative process for dealing with p.d.x. land issues. The i.g.a. spelled out that the city and port would work together to develop the new process, the port would fund the efforts. In anticipated completing the process development within five years. In the meantime, the port was to renew the conditional use permit it operated under. That brings us to today. The port has submitted a conditional use permit with anticipated projects that will carry it until the new process is in place. It's contrary to the agreed intent of the i.g.a. That the conditional use permit be granted for eight years. This creates a disincentive for the port and city to move expeditiously toward developing a legislative process. It allows the port to start projects that will be completed well beyond the term of the conditional use. The recent decision of the hearings officer is flawed for many reasons. As we've seen time and time again there's too much complex material be covered during the required time. Testimony from both sides substitutes statements of opinion in place of documented facts. Among city staff there's a belief that the federal government, through the f.a.a., has the power to dictate what our city must do. Today we're not deciding the fate of p.d.x., or impacting aviation customers, we're trying to decide on transportation planning for the next five years. This week we submitted to city staff documentation in the form of the federal register that clearly states the f.a.a. Will encourage, but can't force a state or city to approve land use actions. Federal preemption is never used to control landside zoning, only applies to airside where aircraft are taxiing. Neither are we restricting air commerce as the letter from the f.a.a. implies. I urge you to reduce the term of the conditional use permit to five years and remove projects seven and 29 from the plan, altering these three elements of the permit will go a long way toward making it what is needed until the new legislative process is developed. None of these actions will restrict air commerce within the life of the permit. Six seconds left.

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

**Kunz:** Yes, sir.

**Saltzman:** You're basically saying there were projects that were to be envisioned to be dealt with through the legislative process now being dealt with through the conditional use master plan?

**Kunz:** I'm saying there's projects in this large list that if developed tend to point you toward the need for projects that were omitted. The third runway and the expanded terminal.

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**Saltzman:** Ok, but not projects that were specifically supposed to not -- or projects that were specifically envisioned to be dealt with in the legislative process, but you're saying they're sort of leading the path toward projects that could be in the legislative process.

**Kunz:** Yes. Ones that were specifically not to be included were not included. But others that paint us in that direction are there.

**Katz:** Thank you. After the testimony of the appellants, I need to know where are we with the legislative process. When will it be completed? What's included? Ok.

**Francesconi:** I.g.a..

**Eric Meyer, 6837 NE Alameda:** Your honor and council. My name is Eric Meyer, I represent Rosewood neighborhood. I'm the air rep for the part 150 advisory committee. And I became involved in these issues due to a terrible noise situation that developed quite suddenly in our neighborhood four years ago, and continues to this day. That's how I got involved. Three minutes is not enough time to complete the picture of the problem or convey the usable information that I've pieced loose. It's a very Byzantine affair. The noise comes from the changed flight path of the changed cargo feeders. I think the port would agree the noise complaints are due to these cargo feeders. The regulations and jurisdictional overlap concerning noise mitigation in regards to these flights were not so confusing and murky, Roseway neighborhood would be one of the appellants in this case and perhaps I'd have longer to inform you of you of the situation in this appeal. As one of the participants in the 150 process, I can tell you that this process in no way addresses Roseway's noise problem. The port and land use staff regard part 150 as the answer to the known abatement requirement in Portland's code. Yet by definition, this process disregards the noise of these aircraft due to their weight under 75,000 pounds. Believe me, a 30,000-pound turboprop at 800 feet over your roof makes a lot of noise, especially at 5:30 a.m. or at midnight. And those bird strikes didn't make me feel any better either. Neither the last noise plan, nor the present one, addresses this very real issue. Increasing cargo facilities when the problems caused by the insufficiency of the last plan have not been faced or seriously looked at can only make matters worse. That have not been. There's no one and no group, either elected or appointed, that is helping the residents of Roseway deal with this development over our homes. If the city didn't consider where the last increase in cargo feeders were being sent, what process or entity exists in representative government that will consider the problem of the increased flights that Portland's -- that the port's additions will surely bring? I'm convinced based on the time and energy that I put in unraveling the situation, that the frustration of the search for information and remedy are intentional. The port through its noise office initially denied that anything had changed and minimized the problem. When that no longer worked, they relieved themselves of responsibility by point to go another group in control. Thus the f.a.a. Can say the port is in charge of noise abatement. They can both say they don't need to address this noise issue that the planes make because they don't fit in the guidelines and therefore don't show up in measurable noise or in the noise contours. It seems to me a very cozy relationship. Whether you decide on this appeal, I urge you the strongest way to create a position for someone with knowledge of the citizens, the port, the f.a.a., to oversee what happens over our neighborhoods.

**Katz:** Thank you.

**Susan Florentino, 6837 NE Alameda:** My name is Susan Florentino know. Good afternoon. My name address is --

**Katz:** We don't need your address.

**Florentino:** Ok, thank you. I'm a resident of Roseway neighborhood. I'm a member of air, and I'm on the noise -- airport noise subcommittee of Roseway neighborhood. I'm here because of unacceptable noise impacts. We have a steady stream of low-flying aircraft over our house in the morning and evening, and all hours of the day and night. The decibel level has been measured at an

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average of 67.4 decibels. I urge you to reconsider the decision that's been rendered on the conditional use master plan. I believe that the plan has some -- the decision has some serious problems. It gives unrestricted approval to expand cargo facilities during the next eight years without requiring any explanation of noise impacts or how they will be mitigated. Impacts will be minimized and mitigated, which assumes that the applicant will act in good faith to address noise impacts from the planned projects. Because the current noise problem of the box haulers remains unmitigated, and continues to worsen, we can only assume that additional cargo facilities will mean additional unmitigated noise over neighborhoods. The decision assumes that the requirements of the zoning code are met. A-3 requires a noise plan and I know indicates the reason for this is to mitigate noise pollution and affected residential areas -- in affected residential areas. The current noise plan has a loud noise pollution in roseway to persist. For this reason it is naive to think that the as yet undivided and uncompleted noise plan will address the unknown noise impacts of the applicant's development projects. Citizen testimony in the decision was to dis -- was discounted, but the applicant and f.a.a. decisions were quoted as fact. This is an overreliance on information provided by the applicant. The burden of proof has been unfairly placed on citizens to prove the effects of noise impacts, while the applicant who rightly bears the burden was not required to prove the benefit outweighs impacts. Also, neighborhoods were held to strict time lines while the f.a.a. was permitted to submit evidence after the deadline. For these reasons, and others that I don't have time to go into, I hope that you will reconsider the decision and effects on neighborhoods. Thank you.

**Katz:** Thank you.

**Frank Dixon, 2205 NW Johnson, 97210:** Good afternoon, council, mayor. Frank Dixon, president of the northwest district association here supporting the neighborhoods in opposition to the applicant's conditional use master plan application. I don't have time to go into all the detail. I think the testimony has been pretty thorough and I urge you to go back and review the -- the basis for appeal of this decision. I would also like to say that I think a number of the neighborhoods that did oppose the application at the hearings officer level would have been here today had there been sufficient time to obtain the waiver and file the appeal given that we're up against a four-day deadline there. I want to stress a couple things. One is about the meaning of the airport code criteria. The applicant, hearings officer's determination of the noise criteria in the code described as the literal meaning is in direct conflict with the rules of statutory interpretation as accepted by the Oregon supreme court. It's in conflict with all the previous decisions of the hearings officer's prior -- the hearings officer's decisions in 1993 and prior to that, as far as I can tell. And it's in conflict with, as I read it, Kathryn Beaumont's letter to commissioner Saltzman dated December 21, 2001, which we asked her, basically, this question -- what does this section of the code mean related to the -- the noise impacts? And her short answer is "the code does not define the term noise abatement plan. It does not limit the applicant from submitting any form of noise abatement plan the applicant believes will satisfy this requirement. Similarly it does not preclude the hearings officer from considering whatever form of noise abatement plan an applicant submits or any evidence opposing that plan that the other parties submit." and she sums it up, "if the parties to the process believe the port's plan is inadequate, they'll have an opportunity to critique the port's plan and offer relevant evidence concerning noise at the conditional use hearing." as far as I can tell, the staff and the hearings officer decided that we're going to put a period after the word "developed" in the code and simply accept any noise plan that the port comes up with. The port could have put a piece of paper with noise plan and the next page is "we're doing everything we can about noise," and the hearings officer, according to this rationale, has to accept that. The other point is you need to be very aware of the complexity of the issues relating to the interplay between federal preemption law and your authority. And I would contend that you today, if you -- if you sign off on expansion -- major

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expansion of the airport as proposed, you lose control of the intensity of the uses or later your ability to do anything about what the f.a.a. says airplanes should do over the city. So you should be very careful. Commissioner Sten will be around 30 years from now, and you'll be able to tell me whether i'm right, but I think we have to be careful.

**Katz:** Well, so much for the rest of us. [laughter]

\*\*\*\*\*: Including me.

**Katz:** Thanks.

**Michael S. Roth, 2305 NE 51<sup>st</sup> ave., 97213:** My name is michael roth. I'm a resident of rose city park neighborhood association. I also serve on the environmental committee for the rose city park neighborhood association. I have three basic areas I just wanted to touch on. I haven't been directly involved in the process, but i'm very impressed by the stellar efforts of a number of people with different neighborhood associations in going into the depths of books and volumes and tomes and finding out the gist of what we're dealing with and the complexity -- dealing with the complexities that we're dealing with in this situation. But three areas -- requirements, process, and common sense. The requirements right now, it seems that p.d.x. is not complying with d.e.q. noise requirements, and has refused to carry out specific provisions of those d.e.q. requirements, and these are provisions which the f.a.a. considers reasonable to comply with. Also, there is no requirement that there be additional landside build-out with regard to increased traffic at p.d.x. with regard to the pros -- process, I think the port has been negligent for providing for public interaction on these issues. They should have announced through mailing efforts to citizens throughout the area around Portland international airport, and this hasn't been carried out. Also with regard to the hearings, I believe that the port's testimony has been taken as evidence in many cases where a neighborhood association's testimonies are discounted, and that's not fair, especially with all of the work that people have done to find out what is the basis for going forward with the permits or, you know, what are the requirements involved. It doesn't seem like a fair process in that regard. Also, with regard to requirements, it seems an easy case to make that traffic and noise impacts are inadequate estimated or planned, with regard to full build-out of the project. So it doesn't make common sense that we don't require that these impacts be fully estimated and looked at. So this brings to me what I would urge you to consider, and i'd urge you to adhere to the idea that the motto is the Portland is the city that works. It only works when public agencies and business and citizens are taken into consideration. And I think there's been many than -- many people on behalf of neighborhood associations that haven't been heard. And I use -- I urge you to use common sense, creativity and vision in establishing that we need to shorten the permit time to a reasonable time of five years because of the legislative district plan, that we require accurate studies of the full build-out and consider serious removal of the southwest quadrant until those studies are made. Thank you very much.

**Katz:** Thank you.

**Miki Barnes, 48100 NW Dingheiser Rd., Banks, OR 97106:** I'm miki barnes. I represented Washington county on the citizen noise advisory committee now for approximately five years. I also sit on the part 150 committee as a representative. And i'm currently involved in helping to organize an organization, tualatin valley livability coalition that's come together to address serious air traffic and other livability problems in Washington county. 9 members of our group feels that air traffic noise is one of the biggest threats to livability frankly in the region. Now the hearings officer's report noted that p.d.x. was among the fastest-growing airports in the united states, but actually if you look at the master plan 2000 summary report they note that they started seeing a decline back in 1997, and in fact had to revise a couple years before the terrible terrorist attack in new york. Now though the port characterized pc as a fast-growing airport, it's plummeting to 1989 levels, at which time operations were 271,000. They've seen a pretty steep decline here. That

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brings into question in my mind the wisdom of expanding. These are very uncertain economic times. And therefore it seems, you know, wise and prudent to me to perhaps revisit this in three years, five years. Whatever air suggests, I would back them on that. The hearings officer also alluded to this part 150 study as a study in place to mitigate noise. In fact, historically with part 150 studies, the noise has been shifted from Portland to adjoining communities, specifically Washington county. And though I question expansion and think it's -- you know, I would take a careful look at expanding cargo, I want to make it clear that I don't want it moved to hillsboro airport either. I don't see that as a viable solution. I'm always having to be very careful in how I word these things or else I box myself in a corn corner. But I do want to say that hillsboro airport is like the second largest airport in the state. People Washington county are saturated. It is as large as our land airport in Sweden. This is the sixth largest airport in Europe. Port Columbus in central, O. Kansas city international airport. Houston, William B. Hobby airport, San Antonio international. Richmond international. It's actually bigger than Richmond international, Ontario, Sacramento, and so forth. Clearly Washington county is carrying their share of the noise burden. Now in addition to hillsboro, we have 25 other airports and airstrips, and the helipads aren't even included in there. Unfortunately there's no state oversight of this airport problem. So anyway to wrap up, I want to support and thank air for the hard, hard work they've done on this, and the many, many hours, and I want to thank all of you for so kindly listening to my testimony.

**Katz:** Thank you.

**Steve Clark:** Mayor Katz, members of the Portland city council, my name is Steve Clark. Of community newspapers located at 1325 Southwest Custer Drive in Portland. Also the chair of the Westside Economic Study for Washington county, and chair of the Portland Business Alliance Subcommittee on Transportation. I appear before you today to testify in support of the Portland airport conditional use master plan. The function and the success of the Portland airport as a facility --

**Katz:** Steve, you're in the wrong pew. I didn't mean to --

**Clark:** I apologize. I gave them --

**Katz:** Did you -- in support of, but not an appellant.

**Katz:** You're not busy. You can wait, can't you?

**Clark:** I can wait.

**Katz:** I was wondering. I was looking at bill and trying to figure out what's happened. All right.

**Moore:** That's all the support.

**Katz:** Ok. Anybody else? In support of the appeal. In support of the appeal.

**\*\*\*\*\*:** Yes -- well, I just have a general about the process.

**Katz:** All right.

**Linda Robinson:** My name is Linda Robinson. I live in the Hazelwood neighborhood association where I'm the chair of the Open Space Parks and Environmental Committee. I've been representing the Columbia Slough Watershed Council on the conditional use process. And as a group the citizen group that worked with the conditional use we met many times over a period of six months, and one of the things that was a big issue there was the term of the -- of the agreement, of the permit. And some of us reluctantly agreed to -- to lower it to eight years on the -- on the promise of the port, that they would -- that they would have an extensive public review process before they did any major projects, like the airport expansion and the southwest quadrant review. Now this -- this public process isn't required under the city code. And the port conceded and agreed to do that, but I see only one sentence in this whole process, review by the city, and the appeal process and the findings that even refer to that. I think this was a really important point that many of us agreed to, was that they would notify people, they would hold another public process before they did these main things. So what I'm asking you to do is either make -- I mean, the city -- the hearings officer was not in a

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position to make that a requirement of the permit. The city council is. And I think that should be a requirement and should be added as a condition to that, either that or take those two major projects out and put them back in the -- put them in that legislative process, but that was the big -- my big concern is that -- and as a member of the neighborhood association -- was improving that public involvement, adding more pieces, particularly before those big projects, because there's still some concern that some of those are really kind of laying the groundwork for the additional terminal and the third runway and we feel very strongly there should be more public input, more -- a lot more input at the time that they begin planning those processes.

**Katz:** Thank you for flagging that. I'm sure that the port will respond to it. If they don't, we will. All right. Applicant.

**Bill Wyatt, Executive Director, Port of Portland:** Mayor Katz, members of the council, i'm bill wyatt, executive director of the port of Portland. I think before I start, let me just say i'd like to thank your staff in particular, my own staff. This has been a very extensive and time-consuming process requiring just an enormous effort. I think when I arrived at the port I was surprised to learn that the airport operated under a conditional use. I think that reference has been made to the challenge that that presents really for all of us. And I also want to acknowledge the efforts of the appellants who are here today, because this is a -- a big and complex enterprise with a lot of moving parts and I can feel the -- the sense of concern from those who have testified here today. They really have no other reason to be here, but to express their heartfelt and obviously heartfelt concerns about not just the operation of the airport, but in particular the impacts which -- which they experience. Let me start by -- by improving as well brian campbell, who is the senior manager of planning for the port and who will address some of the more specific issues on our behalf. And we have others here as well who are available to answer questions in the event that you should desire that. I'd like to make a few preliminary comments and turn things over to brian. First mention has been made about the economic impact of the airport, and I think the record is replete, but i'll remind you, it produces 9,000 direct jobs. About 100,000 direct, indirect and influenced jobs. About \$3 billion in wages and salaries, and about \$7 bill in business revenue, \$300 million in state and local taxes. Last year, 12 million people flew in and out of Portland international airport, and, yes, about 270,000 tons of air cargo from local producers and importers flew in and out of Portland now international airport. We're a public agency, a municipal subdivision of the state. Our commission appointed by the governor. We have a three-county jurisdiction, from which we collect a now relatively small property tax, shrinking, and yet we obviously have a statewide impact. And I think the airport is a very good example of that impact. We have a clear obligation to listen to and respond to the concerns of the citizens of this region. I can tell you from my side of the table the amount of energy and time and resource that goes into that is extensive. And we take that very seriously. I take it very seriously. And I think it is a critical important part of what we do. For years we've worked with community members through various committees, the citizens noise advisory committee, to address issues related to aircraft noise, which is really the principal subject at the heart of this appeal today. At the same time we have an obligation to carefully consider and to balance the variety of interests that are represented by the presence of this international airport in our community. Passengers to be certain, residences who are nearby, i'm one, by the way, and certainly businesses who depend upon the airport for their well-being. A recent example of this balancing act was the regional air transportation demand task force chaired by mayor drake of beaverton to help us address the issue of the demand for aviation facilities in the region and where they should be located. And I know that that is also in your record. One of the ways that we carry out that balancing act is to work through the city's land use process to ensure that the airport is in compliance with applicable regulations. We spent the last three years preparing for and working through that process, setting up an i.g.a. With the city to determine how we will work together to

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determine the long-term future of the airport and how it relates to its surroundings, creating a conditional use master plan through a process involving a representative cross-section of citizens concerned about what happens at the airport, and now going through a decision process for that plan. For this next combined city land use and p.d.x. Master plan process, the city and the port both want to do a good job of considering carefully all of the salient issues brought before us through an inclusive citizen involvement process. Given the time these previous and other similar efforts have taken, the 2000 p.d.x. master plan started in 1995. It seems only prudent to give the upcoming city port efforts sufficient time to work well. The point i'd like to make here, because I know the term here is a function, for our part we would rather put the effort into making this a successful process and not have to stop after, say, five years and suddenly -- and you being in the same position -- have to pour all of our energy and resources into dealing with an extension of an existing conditional use so that the airport can operate within appropriate, applicable local regulations. That's a matter of concern to me. Five years may sound like forever until about 5 years from now when all of a sudden we look around and say "hey, where are we, how close are we to the conclusion of this process?" we'd like to get it done in five years. We'd love to get it done in eight years. I think eight years is prudent and certainly support the decision of the hearings officer in that regard. Let me finish by just acknowledging what is clearly the obvious concern of the appellants. I think you've heard it eloquently addressed, and that is the subject of noise. Sound is something we can measure, and we do. Noise, on the other hand, is a bit more ephemeral and more challenging to put your finger on, because what is noise to some is certainly not to others. But it is a very significant issue. I know that because we devote a tremendous amount of time and attention to it. It is not, however, we maintain, the principal subject of today's hearing. There are federal preemption issues that were extensively discussed within the context of the record that is before you without considering the errant letter from the f.a.a. which you have now excluded from the record. So the subject of preemption is well documented, and certainly we're prepared today to discuss that in greater detail. We do, nevertheless, have an obligation to deal with this subject. I would maintain that the part 150 noise process is a very important part of that. The challenge, of course, is that at the end of the day not everyone is going to be happy. Airports produce noise. And we have made progress on that front. Some of it intended, some of it accidental. The events of 9/11 have dramatically reduced air travel, not only at p.d.x., actually less at p.d.x. than most other major airports in the country, but of course that has had an impact. And then some intentional. Working with horizon, for example, to reduce the use, now eliminate the use of their f-28 aircraft, which are very noisy and replaced them with regional aircraft and others which produce considerably less noise. So we look forward to continuing these efforts, to explore productive ways that we can help reduce the noise footprint and the noise impact of this airport at the same time that we look forward to providing the vital services that this community requires in order to remain part of the global economy. Thank you and i'd like now to introduce mr. Campbell and then obviously any questions be happy to answer.

**Katz:** Go ahead.

**Brian Campbell:** Brian campbell. I'd like to go through a series of the appeal points we feel need to be addressed with the remaining time we have here, which is about eight or nine minutes. I'll try and get through them and get to the ones that hopefully will generate some questions with you all. First one being noise. I just want to -- bill has talked about the legal issues. I think we can save those for later. If you have any other questions. I think there's a practical issue here, though. What we've -- what we've long maintained is that there's really no methodology that indicates a connection between adding more terminal or cargo building space and the increase in aircraft noise. In other words, adding the capability to handle more flights does not mean that those flights will add to the noise problem. Quieter engines, flight path refinements will reduce aircraft noise in the

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future, rather than increase them, and even with more planes -- so saying that building more space to accommodate them will add more noise is not a correct conclusion in our opinion, and attempting to resolve aircraft noise problems through the restrictions on terminal and cargo building expansion is not a productive approach. I think what we've maintained is that it's outside really the overview of this kind of land use process to do that. Really the best way as bill mentioned is through the noise process. We've got an extensive noise process and we think it is certainly the right one. There was mention about it being not the correct one in some peoples view. It is the federally approved program. We were one of the first airports in the country in 1983 to start one. There's been over 250 of them around the country since then. It is the recognized way to address the noise issue around the country. One of the appeal points mentioned that the noise plan was outdated. Actually, the 1996 noise plan, which is in this approval process, was based on the 1993 conditional use master plan approval, which essentially has the same project base as this current conditional use master plan proposal, so we still feel that that is a very relevant document. There's also contention that the -- in one of the appeal documents that air freight was not considered in the noise plan, but again the 1996 plan had looked at all of the existing and projected future operations of the airport, including all of the air cargo operations in that noise base, so I think that is certainly where that stands.

**Saltzman:** Airplanes under 75,000 pounds are not exempt from this part 150 plan?

**Campbell:** They're part of the study process. There operations are part of the study process. They can't be regulated by the faa, as I understand it. We can turn to one of the more expert people here if you want to get more on that later.

**Saltzman:** You do study their impact as part of the part 150?

**Campbell:** Right. Also to the other point of one of the witnesses just a few minutes ago, the update of the part 150 noise plan that's in process right now will address cargo feeders directly. You may again ask that question of somebody else in a few minutes. There was also a question about the nepa process. All we can say about that at the moment, we've had extensive discussions with some of the air traffic issues round table people in the past, right now there is no nepa or other federal violations the port is under, so we'd like to leave it at that at this point. Bill mentioned the term of the conditional use master plan. I think it very clear to us that we all need to push towards that target date of 2008, by us, I mean the city and the port and the stakeholders and everybody that's going to be involved. But I think we know it can take much longer than that, and as we've mentioned before, this process has taken three years to date, the pdx master plan took five, the southwest community plan, I don't know how long that took, I think it was seven or eight years. I would expect we have as big a set of issues before us with this plan, this legislative plan and the pdx master plan combined as confronted southwest Portland in that effort. And we certainly need to deal with a whole host of issues in that planning process, the third runway, a new terminal complex, environmental concerns, surface traffic concerns, certainly. And we intend to go through, that -- through that, the port and the city are talking about how to do that in a second i.g.a., and we want to be able to run through a very sophisticated public involvement process in doing so. We were going to propose 10 years as was mentioned before the conditional use working group after much discussion, we decided eight would be a -- kind of the bare minimum we felt we could get by with. It's going to be half -- half of this is going to be a city process and city time line as well. To try and address a few of the regulation or process questions, I think it's pretty clear that this conditional use process is not very popular process. We've all committed to doing something else in the future. So what they've tended to do is ask for extensive changes in the decision that the hearings officer put forward in trying to do a different job of interpreting the code n our view, what he has done is a very consistent and thorough job of looking at it, and it's very consistent with other decisions of this type also. There's a discussion about the depth of the project information that we've provided,

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we've provided sufficient type and detail of information to clearly identify and address all of the impacts that could conceivably identified that are out there. We've done essentially a worse case analysis in each one, so that even though we readily acknowledged that not all of these projects are going to be built, we are asked in the conditional use process to put forward all possible projects, and that's what we've done. We've identified all possible that we can find, impacts from them, so we have a worse case scenario going there, and I think this is -- counts for everything we need to account for. Reliance on administrative action. In other words, the appellants have made a point that the conditional use process that the hearings officer is going to rely on future building permit activities to make sure that we put forward the right projects, but that's exactly what's required in the conditional use master planning process. So we feel that's not a particularly relevant point. The transportation impacts, one of the appeal documents talked about the transportation impacts of terminal expansion east, project number 7. We have gone through a full impact process with pdot and odot professionals, they have dictated the type and range of studies that we would be accountable for. We've done those, they've been very extensive and they've fully identified all the relevant impacts. And if there is a concern about the longer-term impacts of terminal expansion east beyond the eight or 10-year term of the transportation studies, we certainly will address that in the upcoming legislative and pdx master planning process, beginning as early as next year with a very sophisticated transportation study for the airport that will take into account all the various impacts of all the future projects that could be built until the longer term. Let's see. One of the concerns was that we were by -- by approving this conditional use master plan, the city would be by some side development also approving the third runway through the airport layout plan process that the faa mandate. And that is certainly not our intent. If anybody is reading it that way, we certainly don't intend it that way. According to the i.g.a. From 2002, we specifically have excluded third runway and the decentralized terminal complex from any consideration in this master plan. Nothing we have done here is intended to make those inevitable in any way, and we would be willing to even accept a condition that says that, comes to that conclusion as well if one is needed to clarify that issue. So let me just talk briefly about the free proposals that have been -- the three proposals that have been laid on the table. The five-year term, I think we've already pretty well fully discussed that. The eight-year term is a minimum for us, and I think it should be for all good process. Removing the terminal expansion east project, number 7, it is one of those possible projects within eight years, and we think we are obligated to actually have that within -- in the -- within the conditional use master plan. It's also tied to a number of what we would call precursor projects, which have to go in advance of that in order to make that one work. If you can visualize the terminal complex, the only way you can get another terminal space in there is by rearranging the airport access roads, the light rail line, and some parking lots and garages. So we need to do those first, so we need the commitment for that project in a way -- way in advance of even the eight-year time frame. So we need to have that in the approval. Somebody mentioned the commitment we made to a land use review process. It is indeed outside the hearings officer's ability to put a requirement in on us to make us go through another land use review process in addition to the one that we're going through right now for this set of projects. We have voluntarily said we will do that. It's part of the conditional use master plan document. We consider it to be a requirement, essentially, by reference in that way, and we're in the process of starting to put that land use advisory committee together. It will have a very broad representation and we'll review each and every one of the major projects, including terminal expansion east and the cargo projects that we've proposed as well in project number 29, which is also an issue here. The project 29 itself is really necessary because we've only got three sites left for air cargo and air maintenance uses in the air center, the only place in the airport that has any sites left for that. After airtrans is the southwest quadrant, so we need the ability in case we have the opportunity for an air cargo operator or another

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air maintenance base to come here, providing good jobs for our economy that we need to have the opportunity to get those on the ground. And finally, there was a discussion about the possibility of the city requiring additional hearings and approval for a noise plan, and I think we discussed noise quite a bit today, and certainly our feeling that the city was very right to put a noise requirement, noise plan requirement in the conditional use process, but given the federal preemption, we don't think it appropriate that you are able to dictate what's in it, since it deals with the reduction of aircraft noise as its primary modus operandi. I think we've also done a lot of different things over the years as bill outlined, to make the noise situation a much more relevant thing for what's happening at the airport, and we are committed to doing all that we can after that. So if you have any questions, I guess that's it for us.

**Katz:** Go ahead.

**Saltzman:** Do you believe a third runway contributes to noise impacts, or would have a substantial noise impact?

**Campbell:** You're asking me to speculate. I have no idea.

**Saltzman:** Because you said facility expansion per se doesn't contribute to noise impacts, but --

**Campbell:** I was talking -- I have no opinion about third runway, we're not even talking about that in this application, so I think it's really -- I was referring to buildings, terminal and cargo space, which were specifically at issue here.

**Saltzman:** And I guess the other question is, you mentioned the terminal east expansion is a precursor project. Is it precursor to a third runway?

**Campbell:** No. The terminal expansion east is not a precursor project. There are other precursors to it. Moving the roadway, light rail line, adding additional parking.

**Saltzman:** What was -- you suggested if we wanted to put a condition in this plan regarding the third runway, what would that condition state.

**Campbell:** It would simply say that nothing in this conditional use approval gives approval for a third runway or a -- another terminal complex. Something of that nature. We haven't put the actual words on paper yet.

**Saltzman:** You said the port has committed to a land use review process for the projects, the 37 projects within the plan.

**Campbell:** That's what we've called the land use advisory committee.

**Saltzman:** And that is in the plan itself?

**Campbell:** In the plan, it's referred to as somebody said was one sentence in the hearings officer's decision, but --

**Saltzman:** It's in the plan or the decision?

**Campbell:** It's in the plan, in the conditional use master plan application, excuse me. Our application. And we intend by that to carry it out.

**Saltzman:** Ok. The other thing -- I guess maybe this is a question for mr. Wyatt as well. I guess I want to ask our attorney at one point, because we seem to have an inconsistency about the city's ability to look at this efficiency of a noise mitigation plan, or noise abatement plan. And this inconsistency is kind of what frustrates so many citizens who are impacted by noise. Noise is a serious impact, and many citizens truly feel they are talking in this ping-pong game between the port and the faa, such that nobody can do anything because it's preempted, not preempted, it seems sometimes a matter of convenience, frankly, from my conversations i've had with many people. And i'm not smart enough to know. But our attorney I guess has said to me in a letter in december that indeed the hearings officer does have the ability to look at the sufficiency of a noise impact plan. In this conditional use process. And I guess i'd like some guidance from our attorney or -- and just to say, katherine, are you listening to this? It was you that wrote the letter.

**Beaumont:** Yes, I know. I'm looking for the page in the letter.

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**Saltzman:** I need some guidance on this. And then one other question, we need to clear this up if we can, but the other issue I hear a lot about is that you have a lot of infrastructure for receiving complaints, but you don't do much about it, the complaints themselves. They go in, but nothing happens. Particularly when you have flights -- I know the port people pride themselves, somebody can call and say, this flight was flying over my house at 8:00 a.m. On Sunday, and you people pride yourselves in say, I know exactly what flight that is. So there's no question in identifying the call prints, but what -- the culprits. But what is the follow-up? Is there anything we can put in here as a condition of approval that will assure some sort of follow-up is taken with the culprits who are either flying too low, or what?

**Steve Schrieber, Airport Director, Port of Portland:** Good afternoon, I'm Steve, the airport director here in Portland. It's true a lot of the calls come in, we do try to respond to those as quickly as we can, identify the aircraft, but in certain cases we will identify that the aircraft was flying where it shouldn't have been flying, and we are improving our ability to work with the airlines, get that information to their pilot or chief pilot so they can correct that situation. I would be the first to admit historically we went the best at doing that. We are working very hard to improve our performance there. I think we've got some good examples recently where we have found that aircraft were flying at an altitude that was too low. We have been in contact with the carriers about those incidents. In certain cases --

**Saltzman:** What does that mean? What can you do other than tell them what they already -- you're saying you're telling them what they already know.

**Schrieber:** In some cases they may not have known, in some cases that we've researched and found there are weather conditions or other situations which required the pilot to deviate from the normal flight track, and the pilot has the ultimate control or ability to decide where they need to fly to be safe. In certain cases, we've documented where they did fly too low where they shouldn't have been, and we've asked them to correct that and work with their pilots to do a better job of flying friendly. We have no legal authority to coerce them to do that, it's really working with them cooperatively. We had a situation --

**Saltzman:** So you can't penalize a carrier --

**Schrieber:** We cannot. It's just a matter of working with them --

**Saltzman:** -- based upon a history of compliance with --

**Schrieber:** Unfortunately, we don't have that legal authority to do that.

**Saltzman:** So you can't do anything, really.

**Schrieber:** We can bring it to their attention, we can ask them to fly more responsibly and recognize the impact on the community. I think most of the carriers are willing to do that.

**Saltzman:** Do they give you responses in writing, and do you ask for that?

**Schrieber:** We can ask for that. We've received some in writing, most are just verbal responses.

**Saltzman:** You said you can ask for written --

**Schrieber:** We can ask for that, yes.

**Saltzman:** Can or cannot?

**Schrieber:** Yes.

**Saltzman:** Can, ok. But they don't have to give it to you.

**Schrieber:** They don't have to give it to us, no.

**Saltzman:** So you can't require a written response.

**Schrieber:** Not to my knowledge. We don't have the legal ability to require a written response. We can certainly ask them to do that.

**Saltzman:** That might be something we want to explore further. On the legal question of the city's ability to look at the sufficiency of the noise impact plan, I guess I'd like to hear from our attorney and no doubt there will be a counter point.

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**Beaumont:** Let me begin to answer your question by reading the conditional use approval criteria for noise. The criterion I don't know is an airport noise abatement principal and noise impact overlay zone -- reduce the impact of aircraft noise within development within the noise impact area surrounding the airport. The question that you asked me in december of 2001, I believe, was in relevant part, does the code language refer to a specific kind of noise abatement plan, such as the faa part 150 plan, or does the hearings officer have broad discretion to accept elements of the noise abatement plan that go beyond a part 150 so long as the plan does not interfere with flight operations? My response to you was that the code doesn't define the term "notice abatement plan." and it doesn't preclude the applicant or limit the kind of document that they can submit as their noise abatement plan for purposes of the conditional use criterion. And it gives -- as a result, the hearings officer will consider whatever plan the applicant submits as a noise abatement plan, and can also consider whatever testimony is presented in response to that plan. Critiquing it or supporting it. The hearings officer --

**Saltzman:** It sounds like our hearings officer then erred in his --

**Beaumont:** I suppose the hearings officer -- there's an interpretational issue here. What the hearings officer said was that all this standard requires is that the applicant submit a noise abatement plan, an airport noise abatement plan that has been developed in order to reduce the impact of aircraft noise on investment within the noise impact area surrounding the airport. The port submitted its 1996 part 150 plan, the hearings officer determined that that plan satisfied that requirement in the conditional -- that approval tie tier I don't know. -- criterion.

**Saltzman:** Because it was a document --

**Beaumont:** Because it was a noise study and a noise plan, and I suppose implicit in his findings was a determination that it was adequate to address noise impacts within the noise boundaries.

**Saltzman:** But he further went on to say he could not then take any testimony on the sufficiency, whether the plan actually impacted or reduced the impact of aircraft noise. That seems to be where your opinion may be -- maybe differs from how he interpreted this condition.

**Beaumont:** I suppose there are extremes on a spectrum. It probably would not be adequate to satisfy our approval criterion if -- clearly that's inadequate. The other end of the spectrum would be a highly detailed document that evaluated noise and every extensive level of detail that you could want. There's a broad spectrum in the middle that addresses the issue of noise, there is probably one interpretational issue is whether you believe this criterion gives you the latitude to evaluate the effectiveness to some degree of the noise impact plan that's been submitted for purposes of satisfying our conditional use approval criterion.

**Saltzman:** And his interpretation --

**Beaumont:** I think you found that the port had submitted its part 150 plan, it was a noise abatement plan, and it passed at least some minimal threshold of effectiveness.

**Saltzman:** But he did not accept any testimony on the record on its effectiveness, whereas your opinion seemed to say perhaps he should have.

**Beaumont:** I did not understand that he refused to accept testimony on that point.

**Saltzman:** I guess didn't consider it is more appropriate to say, in his decision.

**Beaumont:** What I gathered from his decision is that he was being asked to conduct an extensive evaluation of how effective this plan was, and whether it was sufficient to mitigate the noise impact of each and every project to might be presented in the conditional use master plan. And I believe he felt that that was beyond the scope of his authority. To conduct that level of extensive evaluation. And to essentially second guess the noise impact at each and every project.

**Saltzman:** And according to your earlier response to me, it's different hearings officers could go different routes on this.

**Beaumont:** That's true.

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**Saltzman:** He could have -- could have delved deeper into this.

**Beaumont:** And the city council has the ability to decide what you think this approval criterion means, and you can choose to accept the hearings officer's interpretation, you can modify it, you can come up with your own interpretation.

**Saltzman:** Ok.

**Steve Abel, Attorney, Stoel Rives:** If I could respond on behalf of the port on the same issues -- for the record, Steve Abel, attorney at Stoel Rives. I think Commissioner Saltzman, there's a series of requirements in a conditional use for a master plan. For an airport. And there's requirements related to mitigation for environmental issues, there are natural resource issues, and one of the requirements is the noise abatement plan. And the code, the city code provides some policy direction about how the code is read, and it does speak as the hearings officer said, to literal readings of the code. In fact there's explicit direction in the policy sections of the code that say literal readings are what are accepted. For that particular requirement, what the city's code says is that there is a noise abatement plan that has been developed in order to reduce impacts. Noise impacts. And I'm paraphrasing there. That's exactly what the port submitted, is a noise abatement plan that does reduce those impacts. What that criteria does not say, as you look at other parts of the code, it doesn't have any standard through which how much impact is mitigated. In fact, what it says is there's a plan that does mitigate, and that is what the hearings officer found that you had. And I think that's why the code is set up this way, is that there is an effort on the part of the city not to get into the area that's federally regulated. There is a line between local land use issues and noise abatement issues that are federally regulated, and so the code asks for that federal plan to be submitted. It's a plan that is an effort to reduce impacts, and in fact with the port it's a living plan, it's in the process of being modified right now, and that's what all airports throughout the country are bound by. There's also another device that's called for in respect, and hasn't been in controversy, which is looking at that plan, there's also an airport zone within the code, & an x zone, I think is the denominator, which speaks to the same noise issues and protection of resource or residences within that circle, if you will. So I think that that's the explanation for how the code works. And I think exactly as the hearings officer decided, I need to read that as the code tells me, literally, I need to ask that question, did they submit what they were required to submit, and with the recognition and all the conversation about preemption, that code provision even makes sense. That's exactly what the port should have done, and that's what they did. So I think it's a whole record in that respect, and I will also say it is true as Katherine indicated, that there was quite a bit of discussion about the noise plan at the time of the public hearing.

**Saltzman:** You're saying that same literal interpretation would also apply to environmental mitigation plans which clearly isn't federally preempted, is it? Or should?

**Abel:** Yes, I think that's right. You've got a series of requirements with respect to mitigation plans for natural resources, for example. The code does direct in all places within the code that literal interpretations are the ones you shall look at when you look at those. If you look at the sections, you probably don't have them in front of you, as to natural resources, what you see is the typical e zone requirements which are the requirements of significant detrimental impacts must be avoided where practicable, those sorts of criteria very expressly stated within the airport master planning requirement. You don't see that kind of criteria with respect to this noise abatement plan. The city, when it adopted its code, could have gone that direction, it didn't, and I think if I could read between the lines a little bit, it didn't go that direction because of the federal preemption issue.

**Francesconi:** Was the noise plan approved by the FAA that you submitted?

**Beaumont:** Yes. I can't go any farther than that. That's the limit of my knowledge.

**Sten:** I guess either Bill or Brian, could you a the more cloak wally describe how you see what you intend to do with the approval of this plan versus the upcoming quasi legislative process you've got

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to go through, because I guess what i'm mulling on, what's behind this question is that there's an argument from the neighborhood that eight years is too long, and you're almost going to have to start on your next phase of things, which should come in the next process because of that time period. There's an argument from you guys essentially, if I get it right, that if things -- if the plan doesn't go quickly, you're going to -- because we may not be done in five years with what you need to do next. To some extent they came to the same position, if i'm saying this right, because you're both getting at, there's a next phase after this, you both agree it needs more approval. I'm kind of looking for more of a sense of, what do you intend to do under this plan and where are you drawing the line in terms of what will not be done by the port on the next plan, if that makes sense.

**Campbell:** Maybe i'll start.

**Sten:** I'm not looking for the legalities, i'm looking for what you intend to do as good citizen

**Campbell:** What we intend to do with this approval is go about the business of developing the airport with those 37 projects as they are needed.

**Wyatt:** I think brian just used a key phrase here, "as they are needed." we don't have a slush fund over here that we use to construct capital projects. Everything you see in the terminal building and on the airfield was constructed either with grants received from the faa, in the case of certain airfield projects, but more likely by contributions from the airlines. The newest portion of the terminal, which of course opened I think on september 10 or september 9 of 2001, was constructed upon the leadership of alaska and the other airlines who said go forth, construct this, we'll work with you to see what it looks like, and then charge us. Bill us for it. We can't proceed until the requisite airlines are interested in proceeding, so the t project, terminal expansion east, is a project that would primarily not necessarily exclusively, but primarily benefit horizon airlines. Well, they have to step up to the price tag. If you approve this conditional use permit, this project will continue, because it's in the existing conditional use. I think you understand that, it's in the conditional use that was approved in 1993. So it's simply an extension of that. What that means is that if horizon airlines stepped up and four years and said, ok, we're looking in our crystal ball and we think our business and our plan would justify this, then as brian I think hinted at, we would have to start unwinding this incredibly complex knot of development, relocating the roadway, the light rail line, all the things that have to be done in advance of that. If that project were not included, we certainly couldn't go to the airlines and say, you know, are you interested, and they'd say, sure, we're interested, and we'll say we have to wait for five years before we can begin, because we don't have the ability to incur costs for a project that the airlines are unprepared to commit to, and they're not going to be prepared to commit to a project which they have no reasonable guarantee is going to be constructed. And so the corollary to the comment that I heard earlier about all the steps that would be required in order to proceed, is that you step on the air hose today and nothing goes forward. And that is obviously a big challenge for us. And so just because an item on is the -- is on the list, and the two that have been identified are amongst the least likely from a present, you know, perspective of where the market is to proceed, doesn't mean, just because it's on the list doesn't mean it's going to happen. And t is a perfect example. It's been on the list for 10 years. And there is not a willing taker. And so that's -- I think that's an important perspective to have.

**Campbell:** And just to reiterate, yet, if we didn't have it on the list, that could be a real problem if we have a different situation that requires some reasonable facility expansion, we need to be able to actually start the process in motion and get the precursors projects done, and then move off into terminal expansion east as the demand is there. You asked a second part to that question about what's in the next -- what's going to happen next. Just to remind you, we're in negotiations on this second i.g.a., but the first one did lay out a series of obligations that the city and the port have in moving into the planning process. The port has to do a series of what we call follow-on studies from the last master planning effort that we're in the process of doing now, and then in 2005, we

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both have to step up and start -- two parallel processes. One is an update of the pdx master plan that we just finished in 2000. And the other one is this legislative process. It could be a plan district, or something else. So we both have to step up to the plate here in 2005 and do these two very major planning efforts. That's where you'll find analysis of the third runway. That's where you'll find an analysis of other terminal complexes that might need to be constructed. So that's a pure planning exercise, and we're already gearing up to get there.

**Sten:** What's your response to the argument that if you have a five-year period, you'll probably get that thing done within three years of starting in 2005, and if you have an eight-year it will take you five years?

**Wyatt:** Who is in charge of the planning bureau? Have you got resources, it's just a question of how much --

**Sten:** I'm asking about you guys. You're saying you may not be able to get it done. I would assume with all due respect we would be assuming we would get our side of the job done. I don't think we'd put a plan in place --

**Wyatt:** We're committed, but I think we firmly believe based on past experience and the complexity of operating the airport that it's very unlikely we would succeed.

**Campbell:** We mean both the city and the port succeed in getting those two planning documents ready in five years. History is against us there.

**Saltzman:** But if I can follow up, I think what commissioner Sten is saying, if we're saying we the city are up for that challenge, is the port going to match it?

**Campbell:** We are going to match it, but we're -- all of us are not necessarily in control of how long these things take. You can run the greatest process and still be delayed by a number of unforeseen circumstances, and public involvement on a project like this is going to be a huge time-consuming situation. And I think we're totally committed to it. We signed the i.g.a., that commits us to that schedule as a target, and we're going to try and certainly do everything we can to meet it. We're fully committed that way. But I think we're just recognizing that these things don't always go as planned.

**Sten:** I mean --

**Francesconi:** I like spending the mayor's money in her portfolio, but we've got to be careful with all the demands we're putting on planning that we do this realistically, or we better come up with the extra money to make sure it happens.

**Katz:** They're going to come up with a portion of it too.

**Campbell:** I'm sure we will. But even so, I think commissioner Francesconi is right, it comes down to how fast can you redirect your own personnel resources, even if you have a lot of money.

**Sten:** I guess that's not what I was really asking. I was asking, where is your incentive in this? I'm -- the neighbors are trying to incent you to get a piece of planning they think is critical done. There's been an argument made that I find compelling, that the length of your proposal that the hearings officer proposed is a disincentive to speed up because you can keep moving. I'm trying to give you a chance to counteract that argument. You but you're saying the city couldn't do it anyway.

**Campbell:** I think we're committed in the i.g.a. We have a process in place in the existing i.g.a., between the two of us, we're negotiating another one to make sure that we're all very precise about what's going to happen when. And that's our ambition, that's your ambition to carry that out, and I don't see how else we can commit anything else more than an intergovernmental agreement that says we're going to do this.

**Sten:** I'll try one last time. I'm asking what is it -- is it in your interest to get this next phase done quickly or not?

**Campbell:** Absolutely.

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**Sten:** If it is, could you articulate why?

**Wyatt:** It's in our interest not to have the airport governed by a conditional use permit, which is a ridiculous way to manage the largest single asset in this region. And it's enormously complex, and as I said earlier, many, many moving parts. We I think have a strong interest in the plan district concept, because this is a feature that is dramatically significantly larger than other uses in this community that have plan districts, including one within the airport proper, cascade station, which no doubt you'll have a chance to revisit at some time here in the future. And it makes great sense to do that. It does not make great sense to commit to a process that is not likely to succeed within a limited time frame. So none of us are going to be around at the conclusion of all of the projects that are included in the conditional use that -- except for erik. Although -- who knows?

**Sten:** I highly doubt it. I'd like to be.

**Wyatt:** And the -- this is a very -- this facility is going to be with us forever. It's a very long-term proposition. We owe it to the people to whom we will turn this enterprise over to give them a facility that operates within a framework that the community can support and that works. And that doesn't present this kind of an awkward circumstance where it's kind of a roll the dice, take it or leave it proposition, which really does not produce desirable results. We have a strong incentive to create an environment which is conducive to the future of this facility and the community in which it resides.

**Sten:** Thanks.

**Katz:** Do you have a question?

**Leonard:** Commissioner Saltzman covered it.

**Katz:** Thank you. All right. Additional testimony? Now, steve.

**Teresa O'Neil, 3315 NE 52<sup>nd</sup>, 97213:** Hi. I'm teresa o'neill, the travel agency sales manager for the Portland Oregon visitors association. I also live at 3315 northeast 52nd. And I did sit on the master plan advisory committee in 2002 for more than six months. Two wednesdays a month from 5:00 to 7:00 every night. And it was a really good process. And I wanted to address commissioner Francesconi's question earlier about whether or not the port is doing a better job of including the neighborhood associations in this process. Because I feel that in that process they did just that, and actually, that question was brought up by a representative from the neighborhood association in vancouver when he said, in no other city would this really happen. Like in atlanta, the third runway would just be built. But in Portland, the port involves their neighborhood committees. So I wanted to address that from my perspective from the advisory committee. Our primary role is to promote tourism in the area. And our member businesses benefit from that tourism by employing -- they're the top third employer in the state. And so it's very important that our businesses are able to operate in a global marketplace that has stiff competition from businesses around the globe. Our ability to compete with other businesses and other locations is dependent on competitive access to the markets we serve. For many of us, maintaining competitive transportation cost assist a key component of our structure. In working with the port, I understand the main component of that in the global marketplace is long-term planning. And five years is not long-term planning. I'm not even sure eight years is. And that was continually brought up and addressed. And that is why i, as a represent of pova, would like to see the eight-year plan approved. And i'd also in closing just like to address the quality of life issue, because I do live one block away from one of the other neighborhood association representatives, I find it interesting that we have such different opinions about quality of life in terms of access to the airport. It's a real benefit to my quality of life that i'm able to get to the airport so quickly for business and leisure travel, and my husband and I entertain frequently socially, and have never had any of our events, breakfast, lunch, or dinner impacted by noise levels from the airport. So I think there are some real differing opinions on that quality of life issue. Thank you.

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**Patti McCoy, Columbia Corridor Association:** Good afternoon, mayor and city commissioners. My name is patti mccoey and i'm here on behalf of the columbia corridor association. We are already on record as supporting approval of the eight-year conditional use master plan for the Portland international airport district, including the building and site improvement projects outlined in the application. I am here today to vigorously reiterate our support for approval of the conditional use master plan with its eight-year time line. We urge the city council to uphold the hearings officer's decision. The columbia corridor stretches 18 miles along the south shore of the columbia river, between the willamette and sandy rivers. Home to over 4900 businesses, and 96,000 jobs, paying over \$2.8 billion in annual wages, the corridor represents 9% of the employment in the six-county metropolitan statistical area. And of note, pdx jobs represent 9% of the corridor jobs. Portland international airport is a transportation and commerce jewel in the corridor's crown. I ask you, make no mistake, the continued operation and growth of Portland international airport is critical to the health and success of its business neighbors. I'd like to give you just a few examples. A key transportation project, the columbia east end connector, faced stiff regional competition for funds. This project addresses long recognized freight and commuter bottlenecks at a key ingress to the pdx facilities. Metro received 58 letters from corridor businesses supporting project funding. This is more than had ever been submitted on a single project. The project was awarded, \$19 million in otea funds, and this important project is now underway. This underlines the importance of business egress to the airport. In a project to quantify corridor business demand for direct, nonstop european routes in connection with the lufthansa service at pdx, an overwhelming 38% of cca members acknowledged demand for such service. Estimating average annual round trip bookings as well. Ultimately this helped substantiate market demand for this transatlantic service and lufthansa is a kicked the service off in the spring. Direct flights into reagan airport, over 42% of c.c.a. Members expressed need for those, and again, estimated average annual round trip bookings. Clearly, corridor businesses depend on the long-term ability of pdx to serve their needs and to grow its capacity as the region grows. We urge you to approve the conditional use master plan and to approve the eight-year term, allowing the appropriate and prudent bridge of time to conduct the upcoming legislative process. Thank you for your time.

**Paul Pope, President, Northwest Industrial Neighborhood Association (NINA):** I'm paul pope, president of nina. Rather than reiterate what they just said, nina has talked about freight mobility for several years, as you all know, st. Johns bridge, naito park way, air cargo is just as important. We operate in a global environment, a global economy, our businesses and industries and nina bring product in from around the globe. We ship it out all over the globe. Without a viable economically attractive, efficient air cargo service, we lose. To some degree. How much, we don't know, but we do lose. That could mean jobs, and we don't want to see that, so we urge you not to do anything that will inhibit the air cargo we all need to survive in our industries. Thank you.

**Steve Clark:** Mayor Katz, I believe you know who I am. I'm not a member of the appellant group, I am in support of the Portland airport conditional use master plan. Mayor and council members, the function and success of the Portland airport as a facility of cost effective and efficient transportation and economic benefit is essential not only for the economy and the transportation systems of the city of Portland, but the Portland metropolitan region, including southwest Washington and the entire state of Oregon. For the past several years, many of us who have advocated balanced transportation system improvements have stressed the importance of critical and -- and the importance of critical relationships between transportation systems and our economy. For the past year or more, those of us involved in developing economic strategies to escape the current recession and for our long-term future have stressed the important critical relationship between our economy and our local regional and state livability. The ability of the Portland airport to cost effectively and efficiently service air cargo needs is an ever-changing necessity. Whether

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that means the airport is a shipper or receiver of goods and products. Whether it is a case of cargo coming or cargo going, we must make no mistake that this city, the region, and the state are depending upon and in fact every economic plan which I and many of you have participated in, and other plans which are still being prepared. Each of those counts on the Portland airport to continue to be a well-managed, safely operated cost effective and efficient national and international air freight transportation center. The region, and the state of Oregon and the nation, are counting on this, and on your approval of this conditional use master plan. The future of the airport as a transportation center and an economic engine should not be limited by additional constraints. Rather, the airport's future should be enabled by a city, a region, and a state which are committed to balance land use and transportation systems that are economically sound, productive and sustainable, and by being so, ensure the livability of our communities, our region, and our state. Thank you very much.

**Katz:** Thank you, steve.

**Phil Botana, President, Flightcraft, Inc., 7777 NE Airport Way, 97218:** Mayor and commissioners, my name is phil botana, the president for flightcraft at the airport. Our company has been a tenant at the airport, I believe we're the second oldest tenant on the airport. We've been in business there for about 55 years and represent about 150 employees who count on enterprise at the airport to make their living. I won't go into some of the reasons why the airport is an important economic engine for the community, because I think most of the other people that are speaking here today are doing that. We enjoy a very close working relationship with the port. We think that they run a very good airport and do a very good job in their planning. Though i'm relatively new to the community and to the airport, i've been in the aviation services businesses for over 30 years, and during that time i've enjoyed the opportunity to work with some 45 airports around the united states in various capacities that i've had, including the new york port authority, the boston port authority, minneapolis, miami, fort lauderdale, and I can assure you that from my personal experience of watching other airports run from around the country, the port of Portland puts a great deal of effort into both communicating with all the constituents that have interests in the projects that they do, and seem to come out with some of the better conclusions, that's been my experience in aviation over these years. So I am here to urge you to support the conditional use plan approval for the period as recommended by the hearings officer. Thank you very much for your time.

**Katz:** Thank you.

**Joe D'Alessandro, President - CEO, Portland Oregon Visitors Association:** Mayor Katz and members of the commissioner, my name is joe, the president and c.e.o. of the Portland Oregon visitors association and the current chair of the Oregon tourism commission. I'm here to urge your approval of the conditional use master plan with its eight-year time frame. I cannot stress the importance of pdx to the economy of this region and the economy of this state. In the tourism side alone, visitors spent over \$3 billion in this region last year, in a down economy, in a time when we need every single dollar. That airport was the gateway to Portland, and Oregon, to the rest of the world. One of our few good success stories this last year in these down economic times has been through the airport itself, with air china cargo, with the new lufthansa is a service. We need to do everything possible to continue the strength of the airport and to continue to encourage the economic development and job creation that airport provides to you. It is a key economic engine to this region, and anything we can do to support its long-term sustainability is critical for this region. On all personal note, I lived for six years in the beaumont neighborhood, and six years in the alameda neighborhood. And was a neighbor of the airport. And moved into the neighborhoods knowing the airport was there. It was there long before I moved into the neighborhood. Never once did it have any sort of negative impact on me being as a resident, and in fact, I think the increase in the housing values of the neighborhood showed that it has had if anything a positive impact with the

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accessibility and the good neighbor role that it did play in me living in the neighborhood. I encourage it. The airport is critical for this region and critical for this city, and we encourage your support.

**Paul Henshaw, Assistant Vice President of Sales, Worldwide Flight Services, 12601 SE 11<sup>th</sup>, Vancouver, WA:** Good afternoon. My name is Paul Henshaw, assistant vice president of sales for Worldwide Flight Services. I'm here to enthusiastically support the conditional use permit for the port of Portland. I'd like to state that myself and my customers depend vitally on the airport and all of its services. And we very much would like to see it expand its abilities to serve my customers and the global community. We have to compete in a very competitive global environment, and the cost of transportation are so vital to that, and if we don't have expanding facilities and services, we will have to move some of those resources outside of the airport, and that will double my cost, possibly increase beyond that. Good air service to the markets that we serve is extremely vital and critical. Please do not put any additional constraints on serving air passengers and cargo, as it will translate into additional costs for me and my business, and all of our customers. Limiting the port's ability to provide facilities necessary for air cargo could exacerbate the problems and concerns expressed by the very appellants we've heard this afternoon. This point cannot be overstated. Making the best utility of the aviation resource allows lessened impact to the area residents and is by far the greater good. Facilities like PDX have inherently had localized impacts that cannot be eliminated. However, your decision must reflect the positive state and region wide economic benefits for the airport, which really do outweigh the negative localized impacts. PDX currently we've heard employs over 9,000 employees, many of which are ours. The massive economic impact of those constituents and the over 700 companies employing over 100,000 persons that make products shipped by air internationally from PDX and the entire demographics and logistics of the Portland regional traveling public's needs translates into the greater good. Your approval of the PDX conditional use permit will ensure that we have an airport with the kind of service necessary to serve the business access and economic needs of the Portland region and the state of Oregon. Thank you for this vital service.

**Katz:** Thank you. All right. Rebuttal? Five minutes. Do you think you can do it in five minutes? There's a little clock down there.

\*\*\*\*\*: I missed that before.

**Katz:** Remember, you have to give him time.

\*\*\*\*\*: You bet. I want to --

**Katz:** Identify yourself for the record.

**Bergman:** Irvin Bergman. I want to key in on three issues that I have a real problem with. The first one is the quieter aircraft. It was doubted that more flights will cause increase in noise. Aircraft have been -- become as quiet as they will. Any increase in -- or any reduction in noise is going to be so insignificant that you will never hear the difference. Airbus, the leading manufacturer of commercial aircraft in fact has reduced performance of its aircraft so that it can comply with the stricter noise rules in Europe. They have reduced performance. So they basically have topped out. So that argument has no validity. Secondly, that the NEPA argument that was basically shot down by the port, the NEPA, the Council of Environmental Quality and in fact the federal aviation environmental handbook clearly states that an environmental assessment leading to an environmental impact factor should be initiated as early as possible in the planning stage, in the planning stage. And in this case, we have federal involvement, public funds, and we also have impact to human environment that are of concern, and the issue is contentious. Those two, in addition to the cumulative impacts, and to the connected action clearly require a NEPA environmental impact statement right now. And all of us have legal standing to challenge the port and the FAA in court to say, you better do it, otherwise you're in violation. And the last item is the

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issue of the federal preemption, and may I read you just a most straightforward approach that clearly defines that, that you have the right, it was from Burbank versus Lockheed, and it says, quoting the Supreme Court, a local governing body could likewise use its traditional police powers to prevent the establishment of a new airport or the expansion of an existing one within its jurisdiction -- with its territory use dictum by declining to grant the necessary zoning for such a facility. Even though the local government's decision in each case were motivated because of the noise associated with airports. I do not read the court's opinion as indicating that such action would be prohibited by the supremacy clause, merely because the federal government has undertaken the responsibility for some aspects of noise control. And the port attorney identified four citations that would stop that, and both of them are outside activities, so they have no value.

**Stovel:** Fred Stovel, Rose City Park neighborhood. Mr. Wyatt again tried to carry on the misleading impression that the conditional use master plan is an operating permit for the airport. It's been clear in our discussion with the port that they understand that it's a building permit. And the -- we're not asking building to be taken away, we're not asking the regional economy to suffer, we're saying, let's hold two big projects until will the end. And so if the port is interested in actually doing a legislative process, it wouldn't want to do that. But the city attorney's letter, which Commissioner Saltzman has quoted, suggested that it might be possible if you grant this full conditional use 35 port projects plus the two federally preempted projects, that by starting one of the precursor projects, which they wouldn't do if they didn't exempt, for instance, intend to build t, they wouldn't move a road or max line if they come to you for a building permit and it's granted, and you have no reason to prevent it, they are vested. And so the capacity of t, according to the port's document, takes the airport to almost 2023. So you are going to give to the next council, and maybe Commissioner Sten will be the mayor by then, he will have to figure out how to take care of the impacts that this council will decide to do. And that's not fair either. It's not fair to future generations. The i.g.a. said that the port would provide noise plan information as it became available. The hearings officer said explicitly, while the -- while I don't have -- while I'm sensitive to your concern this, approval does not -- criteria does not empower me to mandate the port to do anything but prepare a noise abatement plan. And in the b.d.s.'s reply to you in the briefing that you have, b.d.s. tries to make the case that federal law and state law somehow forces the port to do a part 150. Citizens and the d.e.q. provided testimony that o.a.r. 340-3 -- it specifically is a rule that looks a lot like the part 150, but has a lot more in it, is a state law that's -- that the port is required to follow. And in their noise compatibility study, they say they will.

**Katz:** Thank you.

**Sten:** Could one of you just briefly summarize your three requests?

**Stovel:** Ok. The first one is to remove two projects from the list of 37. T, which the port says is included in the 93 plan, but is not included in their table of 93 projects in the application, so we have some unknown part of the 93 plan which we have never been able to discover. And the second is the actual physical building on the southwest quadrant. We're not talking about -- we had unanimity in the working group, the port probably has federal stuff behind it that says it has to reduce dangers to bird strikes and to fill certain things. They can put in sewer and water, do everything like that, but we're saying, let's not start building aviation businesses related businesses until we find out what the impact of the businesses are going to be. So those are the two. Of the projects. The second is the term that better be with five years is better, and it's primarily to prevent vesting as far as we're concerned, because if you -- if by 2011, they start the first one --

**Katz:** Thank you.

**Stovel:** And the third is that we need to continue the studies that the port has promised to do, but the city ought to be involved in & their there ought to be hearings, and the city needs a consultant that can give us some expertise. We have no office of aviation.

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**Katz:** Thank you. All right. Council, do you have questions of staff? Do you hear a motion?

**Saltzman:** Where are we now?

**Katz:** Pay attention. I do hear a motion? Do I hear a motion? I need a complete motion.

**Saltzman:** I have a question before I made a motion, I wanted to ask the port a question.

**Katz:** That's what I was asking.

**Saltzman:** Ok. If bill or brian could come back up. The part 150 noise abatement plan is on schedule to be done in 2004?

**Campbell:** Yes.

**Saltzman:** It will be? Ok. Would it be a reasonable condition in your mind to premise the approval of the freight facilities number 29, I guess? , upon the completion of that noise study? Because that really is a new development of the airport. I think we've had testimony, box haulers are a significant source of noise that haven't been looked at before, that will now be part of the part 150 examination. Would it be a reasonable condition on our part to say project 29 could not commence until the part 150 noise study is completed?

**Campbell:** I suppose that it would not -- in terms of timing, i'm not -- i'm not sure. We'd have to talk about it I think --

**Wyatt:** I would be reluctant to give you a black and white response right now.

**Campbell:** I'm not sure of all the implications.

**Saltzman:** Ok. I guess, isn't right now in your conditional use master plan, it's identified as not starting before year six?

**Campbell:** I think that's correct. So that's why I started to say it probably wouldn't matter, but I need -- we need to think this thing through. We can't just --

**Saltzman:** So this would be at most -- I guess I am interested in proposing this condition, I do think it's a reasonable condition. So that's one condition of approval. I'd like to explore with the council.

**Katz:** What I want to do, because you're asking them for some technical decisions. Keep going, and we may take a five-minute recess and --

**Sten:** It would be a tentative vote anyway, wouldn't it?

**Katz:** Well, I know, but --

**Saltzman:** I'll get the other two out. One is, explicit condition that this master plan in no way constitutes approval of a third runway, and finally, getting back to responsiveness to flights that are below their flight path with no reason, no weather-related reason. I know we can't do anything, but -- and katherine, if i'm way off bounds, i'd like to say the port shall request that each carrier respond in writing to those deviations from flight path that have been deemed by the port to be not weather-related.

**Katz:** It's the same as my letter to gordon smith. [laughter]

**Saltzman:** At least it starts -- at least we get an idea of how responsive --

**\*\*\*\*\*:** Commissioner --

**Leonard:** Commissioner Saltzman, were you going to pursue the condition to -- that the port has apparently already agreed to, to include the public hearing involvement process before major projects occur?

**Saltzman:** It was my understanding we couldn't do that as a condition, but they've agreed to do that. If we could do it as a condition, I would do that.

**Leonard:** I thought the city attorney said we could. Maybe I misunderstood.

**Saltzman:** It was my understanding we couldn't.

**Leonard:** You might have been talking about the noise stuff.

**Beaumont:** I spoke only to the noise issue.

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**Katz:** So there were three. The runway you have no problem. You don't have a problem writing letters to the airlines that you probably aren't going to get any responses to, but --

**Saltzman:** Asking them for a written response.

**Katz:** Exactly. The one issue on 29, you want to talk about that among yourselves for a second?

**\*\*\*\*\*:** Just a caucus.

**Leonard:** I would like to pursue --

**Katz:** Just a minute. We'll get -- ok. That's one still hanging. Now commissioner Leonard, which one did you want?

**Leonard:** Apparently the port's already agreed, and I didn't understand that there was a legal issue with having this as one of the conditions.

**Katz:** Agreed to --

**Leonard:** The condition that they have a public hearing involvement process before the 37 major projects.

**Katz:** They said -- they said that's what they would be doing anyway, right?

**Campbell:** Right. But let me clarify that. The land use advisory committee is really just that. It's not an approval process, as you might know it in the context of the city's approval process. So what it is, it's an advisory group that will say, yes, port, we think you're on the right track with that project, or, no, you know you really ought to make some changes here, and we would take that under advisement and consider the implications of that. So it's not a new approval process.

**Leonard:** I actually wrote down I think -- I don't know who said it, but somebody from the port saying that the actual language I wrote down was, agree to a public hearing, slash, involvement process before any of the --

**Campbell:** I guess it depends what you mean by hearings. There's really not a legal hearings process, it's an involvement process more than anything else.

**Leonard:** So if we didn't have the word "hearings" --

**Katz:** Don't get hung up on "hearings."

**Leonard:** Public involvement is fine.

**Katz:** Public involvement, you open it up to public testimony as a hearing. Remember, this is like a legislative process of a hearing. Public testimony. We're going to get hung up with legal terms.

**Abel:** Steve Abel, for the record. I don't want to get that messed up. It's a public involvement process, not a new land use approval --

**Katz:** That's not --

**Leonard:** I was referring to the process that you described. And I just wanted to capture it in whatever we did.

**Katz:** Katherine, you have that one, and you have the other two. Now talk among yourselves --

**Sten:** One more question.

**Katz:** Go ahead.

**Sten:** This is pretty general. It was in the testimony, but I'm just trying to get my brain going. Could you walk me through, it seemed to me, I don't have a condition in mind, I'm trying to air out a point. Seemed to me the bulk of -- not the bulk, but a lot of the letters I read about this really referred to air cargo planes at 5:30 in the morning specifically going right over the rose way neighborhood. And clearly one of the things the neighborhood would like you blocked from doing in this plan is putting in more air cargo fall silts. And so it seems to me it's possible those are related. Could you talk to me just once again a little bit about what your ability to try and stop air cargo planes from taking that route as opposed to going some other way at 5:30 in the morning? You have none, you're shaking your head.

**\*\*\*\*\*:** Barbara, do you want to say something about it? Barbara Jacobson is our deputy general counsel.

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**Barbara Jacobson, Deputy General Counsel:** We don't have control of -- barbara jacobson, for the record. We don't have control of the planes in the air space. However, one of the primary purposes for expanding the cargo facilities are -- is when you get to capacity, what you lose is the ability to work with the carriers to fly during the hours that are less objectionable. And you end up flying those really late or early morning hours when you've got too much congestion to get everybody out during the better times. That's not to say if somebody wants to fly those hours that we can prohibit them, because we can't. But it certainly limits our flexibility if we don't have the facilities to accommodate them all during the times that we'd rather have them fly.

**Sten:** And there's really nothing -- this is going to be -- this is going on in the years ahead, but as I look into it, it seems that's going to be one of the issues that really gets weighed, and I think it's good to have more cargo, but when you get into the benefits and the argument, if there's a way to get -- think about strategies to not have them go over adjoining neighborhood at 5:30 a.m., as I read the letters, you'd have a lot less angry people. Anyway. I'm not -- I don't have a condition in mind.

**Saltzman:** That's what I was trying to get at.

**Sten:** It jumps out of this hearing, that you want more air cargo, and that's what's waking everyone up.

**Saltzman:** That's what I'm trying to get Cargo facilities not occur before the part 150 noise abatement plan is updated, which will look at that issue.

**\*\*\*\*\*:** Based on the assumption that will reduce traffic. I think part of what you're hearing is that's not necessarily a correct assumption.

**Saltzman:** At least you look at the noise impacts, which you have not done before, of the box haulers.

**Katz:** I need --

**Saltzman:** Maybe have abatement strategies.

**Jacobson:** I don't think it's quite accurate that we haven't looked at those impacts. But i'll let steve --

**Katz:** Steve, why don't you come on up. Is anybody interested in following up on this particular piece of the motion? To prohibit further expansion or construction of air cargo until --

**Saltzman:** Project 29 until the part 150 noise plan update is completed in 2004.

**Katz:** So we're talking about a year and a half.

**Abel:** Let me address what's commonly called the box hauler issue, just a little bit. And also talk about how we've tried to address the noise issue from cargo facilities. You may recall about two years ago trammel crow came to us with an interest in constructing new cargo facilities on the south side of the airport. Which we did do, we did have a discussion with the community, we talked about what the facilities would be used for, what kind of aircraft would potentially take advantage of those facilities which in this case would not be the box hauler type of operations. So we have in our normal process tried to address how we communicate with the community about the potential impact of aircraft operations from new cargo facilities. We are also working as part of our noise study, which is underway, the part 150 study, to look at things that we can do with departure tracts to try to alleviate this problem of the box haulers flying over northeast Portland in the early morning hours. I think there was a statement earlier about us not doing that. That's not correct. That's actually a fairly important part of the part 150 study, is to look at alternatives for keeping aircraft potentially out over the river longer before they turn off onto their final departure tract. So that is an important part of the study that we're doing now, and we're hoping we can come up with changes to alleviate that problem.

**Katz:** 2004 is a year and a half. Are you aware of any potential expansions that you're working on or think that's going to come along? I don't want to limit that either for the obvious reasons. But

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you ought to know within at least two years, three years, we do five-year forecasts on capital projects.

**\*\*\*\*\*:** Give us a minute on this.

**Saltzman:** It's identified in your plan as not starting before year six.

**\*\*\*\*\*:** I appreciate it. A lot of moving parts, and I just don't feel comfortable saying --

**Katz:** Why don't we -- while you go, we're going to take a little break for two minutes, make sure that you have all the other pieces so kathryn --

**Beaumont:** Before we take a break, let me repeat back to you what I understand to be the four possible conditions on the table. Three are proposed by commissioner Saltzman, and they are as follows -- one, that project 29, the southwest quadrant air cargo, can't begin until the part 150 study update is completed.

**Katz:** That's the one that's still up in the air.

**Beaumont:** Number 2 is a condition that says approval of this conditional use master plan is not approval of a third runway.

**Saltzman:** And is no predisposition on the council's part to approve a third runway.

**Beaumont:** Ok. The third one you'll have to help me, commissioner Saltzman, because I may not have gotten it exactly the way you stated it. That the port shall request that each carrier respond in writing to complaints about flight operations that aren't consistent with what they're supposed to be.

**Saltzman:** Exactly. That are not weather-related. That the port determines are valid complaints.

**Jacobson:** Would you repeat that one? I thought you wanted us to have the airlines respond to us.

**Beaumont:** The port shall request each carrier respond in writing to the port --

**Saltzman:** For each complaint the port determines is indeed a valid complaint about flying too low, or whatever.

**Beaumont:** And then the final condition suggested by commissioner Leonard was that the port do the public involvement process before any major projects, as proposed in their conditional use master plan application. Those are the four I understand.

**Katz:** So we're waiting on the first one now.

**Leonard:** Are we at recess?

**Katz:** Two -- three minutes. [recess]

**At 4:52 p.m., Council recessed.**

**At 5:00 p.m., Council reconvened.**

**Wyatt:** [start of testimony after the recess not available on audio or video] ...the structures suggested within item 29 until such time as we have submitted the part 150 study to the faa. Which is we presume right now about a year and a half to two years out.

**Katz:** Did you get that Kathryn? Okay I'll take a tentative finding right now.

**Beaumont:** Let me point out that there's a difference in what there saying and what commissioner Saltzman proposed. His proposal was that project 29 can't begin until the part 150 study is completed. I guess maybe we need to clarify what you meant by completed. There saying is that the construction can't begin until it has been submitted to the faa and those could be - -

**Saltzman:** Does the faa make a completeness determination? Or is it complete when it's submitted to the faa?

**Jacobson:** For our purposes it's complete when it's submitted to the faa. They may come back to us and not like something.

**Katz:** They may what?

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**Jacobson:** They could come back to us and ask for some changes.

**Katz:** Then it's not completed.

**Wyatt:** And I might add, this is speculative, my guess is anything they're going to come back to us with is something you're not going to like.

**Saltzman:** That's my guess too. But they have to approve it too.

**Wyatt:** That's actually the conversation we're having.

**Jacobson:** Perhaps we could phrase it this way. We would say we would not begin construction --

**Katz:** Could you get closer to the mike?

**Jacobson:** We would provide to the city a copy of the faa proceed with that, but not build any structures.

**Wyatt:** And just for the record, this is not any acknowledgment on our part that the construction of these additional facilities is directly related to the addition of noise. I think there is a big series of conversations and arguments around that, but I don't see -- in fact I see the obvious advantages in proceeding this way.

**Katz:** Ok. The record is closed, and we will take a tentative vote on the following motion.

**Saltzman:** The one we just talked about?

**Katz:** Yeah, with the conditions.

**Beaumont:** I think it would be helpful to have a clearly stated motion on the record.

**Katz:** You've got it in writing? Go ahead.

**Beaumont:** Reading between the lines, what I understand your motion would be is to uphold the hearings officer's decision and to deny the appeals with the addition of the four conditions that have been identified. Condition one is to -- is that no structures comprising project 29 -- that the port will not build any structures comprising project 29 until the port provides to the city the faa approved part 150 study update. The second condition is that approval of the master plan is not approval of a third runway, and cannot be argued or construed as such in the future. Third, that the port will request that each carrier respond in writing to the -- to complaints that the port determines are valid, and that would be respond in writing to the port. And fourth, that the port will follow the public involvement process before any major projects as proposed in the conditional use master plan application the port submitted.

**Katz:** Ok. That is the motion. I do hear a second?

**Sten:** Second.

**Katz:** This is a tentative finding. Roll call.

**Francesconi:** There's kind of two appeal issues. It's all about noise. I do live on at least one of the flight paths, and the airport does not increase my property values. I can't say that it decreases my quality of life, but it is an inconvenience, and it's sometimes a bother, especially when we're sitting outside. So I have some sympathy with the neighbors. But when you're looking at the appeal issues, the first issue is how much authority and jurisdiction do we have, and at least as I interpret the code, the issue of noise and the amount of noise really is regulated by the faa, and it can't -- we have limited authority over it. The reason I think that is similar to what the hearings officer said, and we talked a lot about it tonight. Every time we kept trying to come up with conditions, including commissioner Saltzman, that was really trying to help you, he couldn't go very far. And the reason is, noise is caused by airplanes. Airplanes have flight routes. And not only can the I port not dictate the flight routes, neither can the city. And that's what's causing the noise. We don't have any authority to alter or limit the elements of the flight operations. So if that's true, then it's only consistent that it's the faa's responsibility on the noise side, because we can't limit it. So it's not a consistent interpretation to say we can have a noise plan when we can't limit the source of noise. I have trouble understanding that, how we could interpret it otherwise. The second appeal issue is an

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easy one that I think most of the neighbors -- I won't speak for the neighbors. The second issue is, does the public benefit versus the impacts that are not mitigated, and what's the balance there. At a time that our economy is struggling, and even when it improves, we need a diversified economy. Using -- investing in transportation infrastructure to promote an active sea port and rail, and growing airport to regain our position in trade with asia, and improve our trade with europe, is essential not only for our businesses that depend on globalization, not only for the 9,000 jobs at the airport, not only for the hundred thousand jobs produced in this region, but for all the residents. I mean, this is one of the anchors and one of the strengths upon which we need to build. Now, I do appreciate the amendments, I appreciate the attempts to work with the neighborhood. It's clear that the faa, there are issues to address there. But on the balance of things, this is one motion -- this is one ordinance, resolution that I support. Aye.

**Leonard:** Well, it hasn't been too long ago that I probably would have felt this motion wasn't tight enough, because I would be less than candid if I didn't say that -- candid that I didn't -- if I didn't say the relationship with pdx had with its neighbors was poor. And I just cannot say enough about what bill wyatt's done to turn that around. I just have -- had conversation was people in the community who have told me, conversations of employees at the airport who have told me what bill has done to open that process up. And I thank -- I think he's moving a huge organization, and it will continue to be more collaborative and more open. And I just -- i've known bill long enough to have absolute faith that he's going to make that happen. And I just couldn't be happier with what he's doing at the port, and what -- the kind of attitude he brings. So really for only those reasons I can support this. In the context that it is. Aye.

**Saltzman:** Well, we need to move ahead with this conditional use master plan, because I think the real arena for a lot of focus on the issues of growth are going to be in the legislative process that's going to follow. But I do think notwithstanding federal preemption, that there is ways that Portland, the city, and I think the supreme court decision is pretty telling, we can -- we have to -- to me else no longer axiomatic that airport growth, we realize how valuable the airport is, but airport growth is no longer manifest destiny to me. There has to be a balance between the livability. We don't want to -- I don't think we want the type of neighborhoods, our neighborhoods to degrade to the type you'll find around a los angeles airport, where other cities where the airport neighborhoods have deteriorated. We don't want that to happen to our neighborhoods. So we need to be at the station -- at the station and at alert. And the city has not been very aggressive enough for whatever reasons. I don't know. It was before my time. But there is a new era here, and we have to make sure we right size the airport, striking the balance between growth and livability. And I certainly commit to that, I think the amendments are good, I think the process the port is undertaken in getting here is a good one, and I credit mr. Wyatt and his leadership for being more responsive to the concerns, but nevertheless, we still need to follow through on some of the basic frustrations people have, which is feeling that -- and it's frustrating because maybe there isn't much the port can do, but feel like bona fide complaints of carrier violations are not being -- the port isn't doing anything about it. And I hope we can at least start letting people know that question are trying to do something about it, limited as we may be by whatever laws or federal laws preempt us. And I do think yes need to take a closer look at that supreme court decision as the legislative plan comes before us in the years ahead. I think there's a lot of new ground that hasn't fully sunk in to a lot of cities, ourselves included. Aye.

**Sten:** Actually I want to compliment both sides. I thought the neighbors did a good job, as did the important. When you have something this big, and the neighbors came in with pretty specific requests. I can't guess what would have happened, but the team really brought this together well, and in years past I don't think we would have had a hearing that was as long as this feels to me, this short, and on this few issues. So I am going to support this. I spent a lot of time on the timing

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because it was interesting to me, and I want to say to the neighborhood, I actually think, anybody time -- any time somebody doesn't agree with you, it may not sound right, but the more i'm mulling on this, I think the longer time line with the stipulation that's really clear that this isn't a building block is better, because I think positionless harden if we get up too tight after deadline. That's why I was pushing on the port, because I wanted to think it through from both sides. I'm going to say this next part because I think the port has become more responsive and is doing a much better job on these issues. I really -- I guess I accept your answer on the flying over roseway at 5:30 a.m., because I believe you all to be very, very smart honest people. So I think you're giving me the best answer. But I don't accept that we can't find a way to solve that. And I just think that we pride ourselves on figuring out a way to do something differently, we get a waiver for a health plan or do things, and I just can't believe there isn't a way to get the cargo planes not to fly over the roseway neighborhood at 5:30 a.m. I think 8:00 is one thing, and I think that's my challenge to you, there's got to be a way, and if there's any way we can help, probably there isn't, we should, because I also believe ultimately when you look at the problem commissioner Saltzman's laying out that's happened in other cities, there will come a point where further growth and different issues isn't acceptable, if it degrades the neighborhoods. And it seems to me, i'm not an expert, but sort of enhanced cargo capacity would be one of those things that's going to be harder to get people really excited about. And it's also a business where the cargo carriers are competing to get the business. There's lots of ways to transport things, and I think we ought to be able to find some way to push on those folks to say it's a future danger to your business as a cargo carrier, and a very competitive world where there's lots of ways to get your customers, and your customers can leave you behind if this problem can't be solved. So enough on that. But I do compliment you on this, and i'm going to compliment the neighborhood as well and vote aye.

**Katz:** I think it's all been said. Aye thank you. When will we come back? Let's set a date.

**Moore:** July 24.

**Cate:** I'd like to propose july 24.

**Katz:** That's wednesday?

**Cate:** It's a thursday. You have a quasi judicial matter on your agenda that afternoon.

**Katz:** Ok. July 24. Ok. Thank you, everybody. We have a 4-fifths item before the council, so what I need is a suspension of the rules to bring the four-fifth item, which is 732.

**Item 732.**

**Leonard:** I move to suspend the rules.

**Katz:** Do I hear any objections? Hearing none, so ordered. [gavel pounded]

**Katz:** I need an amendment to amend what is before us on item 732.

**Moore:** I haven't read the item. I need to read the item still. Amend title 33, planning and zoning to apply design standards to substandard lots in the r-5 and r-2.5 zones.

**Katz:** Ok. And then --

**Leonard:** I have an amendment that's written passed out to council that has been reviewed by staff, and I have another amendment, i'd like -- I could do it at the same time. The amendment that I will verbally propose is --

**Katz:** Why don't you take the big one first.

**Leonard:** All right. Shall I read it?

**Katz:** Yes.

**Leonard:** I move to direct the bureau of development services in cooperation with the bureau of planning, the neighborhoods, the design community, the home builders, and other affected parties, to develop a catalog of home design that's are allowed to be built on lots in r-5 zones which are less than 3,000 square feet in area or less than 36 feet wide and lots in the r-2.5 zone that are less than 1600 square feet in area. The catalog of designs shall be completed no later than july 1, 2004.

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**Katz:** I'm going to accept that as a substitute for 732. You had another --

**Leonard:** And then further, we adopted a condition in the interim period between now and the July 1, 2004, that would require the design review standards to meet nine criteria as submitted by the bureau of planning that has been agreed to be changed to eight criteria. And I'd like to --

**Katz:** Why don't you read them and then identify the one you eliminated.

**Leonard:** Read them all?

**Katz:** Yes.

**Leonard:** Ok. The standards are as follows. Maximum height, maximum height allowed for all structures is 1 and a half times the width of the structure. Main entrance that meets subsection 33.110.230.c, main entrances in R-10 through R-2.5 zones must be within four feet of grade. For the purposes of this requirement, grade is the average grade measured along the foundation of a longest street facing wall of the dwelling unit garage door. In addition to meeting the requirements of 33.110.250.e.4, the garage door may not be more than eight feet wide. If there is more than one door the combined width may not be more than eight feet. We are removing the following condition -- vehicle access. Where the lot or lot of record abuts an alley, vehicle access to the lot must be from the alley.

**Katz:** You don't need to -- need to read anymore that's the one you eliminated.

**Betsy Ames, Bureau of Planning (BOP):** And we have copies of a strike-through version of the code.

**Katz:** I have one, but I don't know --

**Ames:** Karla has copies of that for --

**Katz:** Do I hear a second?

**Saltzman:** Second.

**Katz:** All right. The motion is -- before I get a second, all right, the motion is before us.

**Leonard:** And I just want to clarify for the motion that the intent of this ultimately is to have three things available to construct a house on one of these lots. One is to use the standards book, the book of designs that we're going to develop in this public process. The second is to use the standards that I just alluded to, and the third is to go through the design review process.

**Francesconi:** My only question -- has the public seen this? Do they know what this amendment is?

**Katz:** I'm taking the second. The motion and the second. We'll take the roll call after the public testimony. Because we need to have some public testimony on this.

**Leonard:** This is essentially what we did the other night.

**Katz:** Yes?

**\*\*\*\*\*:** Do you want to us speak to this?

**Katz:** Quickly.

**Gil Kelley, Director, BOP:** I think that I'm not speaking about the policy issue, which you resolved at your last meeting, we obviously had some concerns about that. In terms of implementing that policy, we think this is a better resolution of the implementation. It allows essentially b.d.s. to develop a plan book with cooperation of all of us and frankly to amend that at any time they see fit. And that would give applicants a clear picture of how they could meet these standards. Rather than codify those plans inside the zoning ordinance, they're a clear way of how they could meet those tests, and they would be pretested by b.d.s. so everybody would know they would work and they would be there. And that would be under the administrative control of the b.d.s. director and bureau, and we think that makes a lot of sense to do that. I think the July time frame everybody here feels more comfortable with and the march just given how the process works, so I think that's something b.e.s. feels comfortable in committing to. So I think we're all much happier with this as an implementation process this would not require going back through the

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planning commission to approve individual house designs. That would be done through b.d.s. They would test them against the standards you are keeping in the code, at least for now. It would also allow as commissioner Leonard suggested, us to come forward with different or new standards in the future if there -- they're found to be necessary. But it doesn't necessitate changing the zoning code after this date.

**Katz:** Susan? Do you want to say anything? Identify yourself.

**Susan Feldman, Bureau of Development Services:** Susan Feldman from bureau development services. We're prepared to take on this project and work in cooperation with bureau of planning and the development community, the neighbors, the design community, the home builders, etc.

**Katz:** And the rest of the world.

**Feldman:** The rest of the world.

**Katz:** Ok, good. Thank you. Let's open it up for public testimony.

**Katz:** You all remember we separated the contentious issue and now I think the council is all in agreement on this particular issue. You may -- so please focus on this particular issue.

**Bonnie McKnight, 1617 NE 140<sup>th</sup>:** I'm pleased -- my name is Bonnie McKnight. I live at 1617 northeast 140th in Portland. I am here today, both for myself and myself as a number of regulatory reform committees. I think the nine design standards with the emergency clause is a great idea. No problem with that. It belongs in b.d.s. I think that's an appropriate change. But I'm nervous that the overall issues of design infill are going to be handled by a booklet done by the implementer as opposed to by the planning department, and looking at a bigger picture. I don't think they're mutually exclusive. I think you can do both, but I'd like to keep the concept in the design infill project that will look at a lot of new ways, some of which aren't even on the table right now, to design infill in a way that neighborhoods can live with and still get the appropriate density with -- in the right places. I understand the impatience with long bureaucratic time lines when the neighborhoods are often as impatient as well. But from an innovation partnership steering committee on, there was an understanding that must -- that much of that delay in slowness came from a direct unplanned and unexpected projects direct from city council. That's why most of the unanimous suggestions from all committees looking at regulatory reform proposed finishing what got started, making the code context large enough to get the details so you didn't have to tamper with details, get many viewpoints, and alternatives on the table, and restrain and reliance on the process by the city council. We think the design book is a good idea. It's already part of the thinking for the infill design project, at least on the part of many of us, it will be done better and be a better use of staff time and money if it is done in that broad context and not isolated to this single element. So I ask that you move the book into the infill project clearly into the infill project for '03-04. This book separate from that, you change the delivery date to a progress review date, since an arbitrary delivery date sometimes doesn't get the last good idea on the table. That you invite neighborhood associations and professional designers to participate in a public process to choose items for the book, and that will make supported public investment that benefits the city over a long term.

**Katz:** Let me guarantee you one of the projects that I've been waiting for years to do is the infill design for multifamily, which I think is probably even a bigger problem all over the city.

**McKnight:** Not in my neighborhood.

**Katz:** I know. But I want to make sure that we do this as well. And I think you're right, I need to think through with Gil how we then fold this piece into the work that we're doing with multifamily. Ok.

**Jeff Fish, Fish Construction, 1834 SW 58<sup>th</sup> #206, 97221:** Jeff Fish, Fish Construction, 1834 southwest 58th. I support the standards as a temporary measure. However, when we get into the point of designing these plans, I would hope there would be a back end to this where plans could be

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reintroduced or remodeled or redesigned. It's my experience over history of building that we are always refining our plans both because we come up with better ideas and times change. So I hope there's an open end to this to modify or add plans past the July 2004 date. I'd also like to see at that point in time we get involved in a menu of features that can be done -- added in that, and what I'm getting at, I've long felt we should have design standards that allowed us to put window boxes or shutters, things like that to mix into this -- to make the product look better. One of the concerns I have as a temporary measure on this where it talks about one by four wrapping the windows, if you have all the buildings have to have one by four wrapping the windows as we are in the temporary measure right now, over the long period of time you don't -- you stifle design. You don't very often put a shutter next to a window that has a one by four wrap around it. So I'm hoping we have some menu items to pick from that have to be part of this. I think it would give a greater degree of personality to the houses and change one house from the other house. But as a temporary measure, now until July of 2004, I think it's the right step to take. Thank you.

**Katz:** Thank you. Linda.

**Francesconi:** When you were asking for a process after July 1, to have good ideas come in, all the staff behind you was nodding their head.

**Fish:** Ok. Great.

**Katz:** Shutters and flower boxes are good.

**Fish:** You've heard me probably lobby about that in the planning commission, so I think it will help.

**Katz:** Linda.

**Linda Bauer:** Linda Bauer. I am very concerned about what is not going to get done because this got put in its place and so -- there's been no public discussion about what's not going to get done, what -- how important is this next to what needs to get done. And so I'm very concerned about not having a long enough process to decide what's important and what's not. Thank you.

**Katz:** Thank you.

**Amanda Fritz, 4106 SW Vacuna Dr., 97219:** I'm Amanda Fritz, speaking only for myself. I do support the nine standards for design. However, there are two major problems with what you're proposing to do today. The first is that the proposal adds standards for detached houses in the 2.5 zone. This project has never been about the R-2.5 zone. It's never discussed 1600 square foot lots. This has been about the R-5 zone. There is no testimony in the record about the R-2.5 zone and design standards. The shift design of single family detached homes in the R-2.5 zone belongs in the infill design project or in the project that Commissioner Francesconi alluded to coming out of the southwest community plan. This is a project that people have been asking to do for a very long time. To hurry up and do it with one-week's notice, there are few of us able to get here today. To suddenly decide to do this in this manner with no public input is not the way we should be planning our city. And it makes a mockery of state goal one. The second problem is that the ordinance does direct you to the bureau of planning or bureau of development services to work on this project. Why are we doing a regulatory reform process to decide how to prioritize projects? If you don't follow your own impact statement. Let me read to you, this is what you accepted. What community goals or aspirations are we trying to achieve? How will the outcomes advance the city's comprehensive plan? Is the issue of sufficient magnitude to justify developing new regulations or other nonregulatory tools? Is the issue just the crisis du jour or something more substantial? We need to have a discussion about that. Particularly about whether we've created the crisis du jour. How are stakeholders and the community consulted throughout the process? What were their responses to the proposed changes and the alternatives considered? Again, unfortunately most of the people who were here last week are not able to be here today. I'd like -- I haven't been given permission to do this, but you've been e-mailed this afternoon an email from one of the rose

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way folks, it is in your email boxes, but i'd like to enter it into the record, because they have some concerns about what you're proposing to do.

**Katz:** We just got them. Thank you.

**Arlene Kimura, 112 NE 133<sup>rd</sup>, 97230:** My name is Arlene kimura, with the hazlewood neighborhood association, speaking for myself in this case. I actually was supposed to come to another meeting that doesn't start until 6:00, which is why i'm here. Thank you very much for moving to get the standards in. I like you, want to know what we're doing about multifamily design, because I have multifamily all over the place with the light rail coming down both sides of hazelwood. The other issue is the issue amanda alluded to. Is this design standards going to in fact defacto make peoples r5 into r2.5? I think that's a very significant concern. Right now the standards for r-5 say that between 3,000 and 5,000 square feet, and then minimal size is 36. Even at that, that's a really tight house. And in bigger developments, that's perfectly ok. But I think that for a neighborhood like roseway that has mostly r-5's and not a lot -- that's a very serious concern, and i'd like to support the stance that this not be a defacto down zoning to 2.5. Thank you so much.

**Katz:** One of the reasons that b.d.s. is doing this, i'll be very honest with you, is because I wanted to begin the work tomorrow on the infill design for multifamily.

**Kimura:** Thank you very much.

**Katz:** Because that's absolutely essential for us to start.

**Fritz:** Could I just add something about the 2.5 zone? The r-2.5 is mostly right now an attached housing zone. If we're going to create standards to encourage detached housing, we need to have more discussion about, is it better to have 10 feet between the houses in r2.5 zone or is it better to allow the standards to go in? I'm very concerned we're adding this second part to this package.

**Sten:** Amanda, am I missing something? I don't read this to allow any type of construction that's not already allowed. So it seems to me it makes -- this makes it harder to build something in an r-2.5 zone to the extent that it puts additional rules on it. Am I missing that it allows something that's not allowed before this gets voted? That's why i'm confused.

**Fritz:** It specifies what we want in detached housing in the r-2.5 zone when we haven't had that discussion.

**Sten:** Assuming these are generally good ideas, maybe you don't think they are, you could build -- it doesn't allow to you build anything you can't build now, and it makes it harder to build something. If you don't want detached homes in r-2.5, I would think you would want this -- I understand you hate the process, but I would think you would want this if your goal was to make it harder.

**Fritz:** The problem is that these design standards were developed specifically for these 25 by 100 lots. In the 2.5 zone you may have a 40 by 50 lot or some other shape of lot that we haven't even looked at whether these design standards are the right ones or not. So applying them without having done any of the background research is not good planning.

**Katz:** Ok. Thank you. Anybody else? All right. There was a motion and a second. Do you have any additions? That conversation we had, and it was a -- no. Roll call.

**Francesconi:** It's better to have design standards than not have them. Aye.

**Leonard:** This has symbolized from its origins for me the most contentious issue i've been involved in. Here so far. To me it's really a fundamental issue of meeting the goals that we have set out as a state to increase density while at the same time create affordable housing. You can't say you're for affordable housing and oppose ideas like this. And having said that, it is the roseway neighborhood that is responsible for creating design standards that didn't exist prior to this issue coming to the forefront. Without there -- my meeting with them and becoming more educated on this issue, and their input and their vigilance, the designs that we will now have for these kinds of houses in neighborhoods are immeasurably better and need to reflect the character of

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neighborhoods. And I can't say enough about their vigilance in causing this to happen. There's one other thing that I think we need to acknowledge here that's fairly significant that I think has been so muted in this discussion that it hasn't really been understood. It was actually pointed out to me earlier today and i've overlooked it. That is that the folks that build the homes have agreed to these. And that is not something that is necessarily a normal way for them to react. We come up with design standards. They have as roseway had to do, compromise to get us to this point. And so I know this is hard for some people, but again, for me there are people out there that have not been able to or will never be able to afford to buy a house without this kind of housing available, and i'm proud we're at this point. Aye.

**Saltzman:** Aye.

**Sten:** I guess it's been said, but there was a very controversial vote and i've been reading everybody's emails, and there's a lot of discussions still flying about, and i'm interested. It was -- I may be the only one at council that thought it was a difficult vote, but it was for me, and i'm still listening to both sides. But as I look at it right now, this vote is not difficult. Last week as it is this week, it is legal to build on 2500 square foot lots. What was being requested of the council was to take that away, not to make it legal. You didn't have any design standards at all for all the stuff. So I think with -- it's still legal to build on those lots and these design standards will make it substantially better, the housing that's built. So think it's is a pretty easy straightforward vote. Aye.

**Katz:** The real vote was last week. This is sort of icing on the cake. It's better with these standards than without. Aye. [gavel pounded] thank you, everybody. We stand adjourned until next week.

At 5:38 p.m., Council adjourned.