



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **18TH DAY OF MAY, 2005** AT 9:30 A.M.

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

At 10:28 a.m., Council convened as the City of Portland Budget Committee.

At 11:11 a.m., Council reconvened as the Portland City Council.

For Agenda Item 487, Mayor Potter turned the gavel over to the President of the Council, Commissioner Leonard.

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

Item 476 was pulled for discussion and on a Y-5 roll call, the balance of the Consent Agenda was adopted.

COMMUNICATIONS		Disposition:
462	Request of Paul Phillips to address Council regarding facts on occupational injuries (Communication)	PLACED ON FILE
463	Request of Charles E. Long to address Council regarding if the Ranger is in Portland's future (Communication)	PLACED ON FILE
464	Request of Freedom Child to address Council regarding issues with the Police (Communication)	PLACED ON FILE
465	Request of Alex Ansary to address Council regarding concerns with the City Attorney's Office (Communication)	PLACED ON FILE
TIME CERTAINS		
466	TIME CERTAIN: 9:30 AM – National Bike to Work Week and Graham Clark Memorial Bike to Work Week (Proclamation introduced by Mayor Potter)	PLACED ON FILE

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<p>467 TIME CERTAIN: 9:35 AM – Council to convene as the Budget Committee to approve a budget (Mayor convenes Budget Committee)</p> <p>Motion to approve the budget as amended by the change memo: Moved by Commissioner Leonard and seconded by Commissioner Adams. (Y-5)</p> <p>Motion to approve the Tax Levies, the proposed language; the City shall levy its full permanent rate of \$4.77 per \$1,000 of assessed value and \$8,150,000,938 for the payment of voter-approved general obligation bond principal and interest and \$86,597,962 for the obligation of the Fire, Police Disability and Retirement Fund and .4026 per \$1,000 of assessed value for the Children’s Levy and .3900 per \$1,000 of assessed value for the Parks Levy: Moved by Commissioner Leonard and seconded by Commissioner Adams. (Y-5)</p> <p>Roll on State Shared Revenue: (Y-5)</p>	<p align="center">PLACED ON FILE</p>
<p>468 TIME CERTAIN: 10:30 AM – Authorize the rates and charges for water and water-related services for the fiscal year July 1, 2005 to June 30, 2006 and fix an effective date (Ordinance introduced by Mayor Potter)</p>	<p align="center">PASSED TO SECOND READING MAY 25, 2005 AT 9:30 AM</p>
<p>469 Revise sewer and drainage rates and charges in accordance with the Fiscal Year 2005-2006 Sewer User Rate Study (Ordinance introduced by Mayor Potter; amend Code Chapters 17.32, 17.35 and 17.36)</p>	<p align="center">PASSED TO SECOND READING MAY 25, 2005 AT 9:30 AM</p>
<p>470 Revise residential solid waste and recycling collection rates and charges effective July 1, 2005 (Ordinance introduced by Mayor Potter; amend Code Chapter 17.102)</p>	<p align="center">PASSED TO SECOND READING MAY 25, 2005 AT 9:30 AM</p>
<p align="center">CONSENT AGENDA – NO DISCUSSION</p> <p align="center">Mayor Tom Potter</p> <p align="center">Bureau of Environmental Services</p> <p>471 Authorize an Intergovernmental Agreement with Metro to assist in the restoration of native vegetation on Metro open spaces properties through the Portland Watershed Revegetation Program (Ordinance)</p> <p>*472 Authorize Right of Entry Agreement with Union Pacific Railroad Company to access and use Railroad property during construction of the Sullivan Sewer Structural Rehabilitation Project No. 6699 (Ordinance) (Y-5)</p>	
<p align="center">Bureau of Housing and Community Development</p> <p>473 Increase subrecipient contract with 211Info by \$13,000 and extend the contract termination date for additional data quality management work and provide for payment (Ordinance; amend Contract No. 35469)</p>	<p align="center">179247</p> <p align="center">PASSED TO SECOND READING MAY 25, 2005 AT 9:30 AM</p>

<p style="text-align: center;">May 18, 2005</p> <p style="text-align: center;">City Attorney</p>		
*474	Amend contract with Hoffman, Hart & Wagner, LLP, for outside counsel assistance (Ordinance; amend Contract No. 34532) (Y-5)	179248
Office of Management and Finance – Bureau of Human Resources		
*475	Approve special assignment pay for a Bureau of Water Works non-represented employee (Ordinance) (Y-5)	179249
Office of Management and Finance – Risk Management Division		
476	Pay claim of The Estate of Damon Lowery (Ordinance) (Y-4; N-1, Leonard) Motion to reconsider: Moved by Commissioner Leonard and seconded by Commissioner Saltzman. (Y-5) Motion to accept amendment to remove the emergency clause: Moved by Commissioner Adams and seconded by Commissioner Saltzman. (Y-4; N-1, Leonard)	PASSED TO SECOND READING AS AMENDED MAY 25, 2005 AT 9:30 AM
Office of Sustainable Development		
*477	Authorize an Intergovernmental Agreement with Multnomah County for \$80,239 to produce carbon dioxide offsets through traffic signal optimization on four roadways (Ordinance) (Y-5)	179250
Office of Transportation		
*478	Call for bids and authorize contract for the NE 33 rd Ave and NE 33 rd Drive Bridge Replacement Project (Ordinance) (Y-5)	179251
Water Bureau		
479	Approve inclusion of three parcels of land located within the City in the proposed Clackamas River Water Authority (Resolution) (Y-5)	36317
480	Authorize the Bureau of Water Works Administrator to execute grants for \$160,000 with community partners to fund lead poisoning prevention programs to comply with the Environmental Protection Agency Lead and Copper Rule (Ordinance)	PASSED TO SECOND READING MAY 25, 2005 AT 9:30 AM
SECOND READINGS		
481	Authorize an Intergovernmental Agreement with the Tri-County Metropolitan Transportation District of Oregon for parking access and use of Powell Yard Premises at no cost to City (Second Reading Agenda 438) (Y-5)	179252
482	Authorize a Community Benefits Opportunity grant agreement with Urban Water Works for implementation of Astor Elementary Schoolyard Restoration Project (Second Reading Agenda 439) (Y-5)	179253

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<p>483 Amend Ordinance to change the legal descriptions for easements required for the South Airport Basin Sanitary Trunk Sewer Project (Second Reading Agenda 440; amend Ordinance No. 178260)</p> <p>(Y-5)</p>	<p align="center">179254</p>
<p>484 Authorize an Intergovernmental Agreement with the Oregon Department of Transportation to receive Hazard Elimination System Program funds for construction of an additional off ramp lane on the I-405/Kerby exit ramp (Second Reading Agenda 441)</p> <p>(Y-5)</p>	<p align="center">179255</p>
<p>485 Authorize contract with SERA Architects, Inc. to provide planning, design and construction administration services for the addition of an aquatic facility to the East Portland Community Center (Second Reading Agenda 442)</p> <p>(Y-5)</p>	<p align="center">179256</p>
<p>486 Authorize three party Intergovernmental Agreement with Multnomah County Office of School and Community Partnerships and the Parkrose School District No. 3 for the SUN Community Schools initiative (Second Reading Agenda 443)</p> <p>(Y-5)</p>	<p align="center">179257</p>
<p align="center">REGULAR AGENDA</p> <p>487 Tentatively uphold the Hearings Officer's decision with modifications in the matter of the Land Use Board of Appeals remand of the application by John Welsh, Michael Andresen and Pamela Andresen for a zone map amendment, land division and adjustment for property located at 3407 SE Steele Street (Findings; Previous Agenda 408; LU 04-017115 ZC LDP AD)</p> <p>Motion to adopt Findings: Moved by Commissioner Adams and seconded by Commissioner Sten.</p> <p>(Y-4) Mayor Potter recused himself.</p>	
<p>488 Provide a voluntary campaign finance system for Auditor, City Commissioner and Mayoral elections (Second Reading Agenda 460 introduced by Commissioner Sten and Auditor Blackmer; add Code Chapter 2.10 and amend Sections 2.02.010, 2.02.030 and 2.02.040)</p> <p>(Y-4; N-1, Leonard)</p>	<p align="center">179258 AS AMENDED</p>
<p align="center">Mayor Tom Potter</p> <p align="center">Office of Management and Finance – Human Resources</p> <p>489 Authorize the appointment of Officer Thomas K. Hall to the classification of Police Officer at the three-year salary step 5 effective April 1, 2001 (Ordinance)</p>	

**PASSED TO
SECOND READING
MAY 25, 2005
AT 9:30 AM**

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Office of Transportation		
490	Authorize agreement with One Eleven Tower, LLC and TriMet for public improvements associated with the Portland Mall Revitalization Project (Ordinance)	PASSED TO SECOND READING MAY 25, 2005 AT 9:30 AM
491	Authorize agreement with 1200 Building Associates and TriMet for public improvements associated with the Portland Mall Revitalization Project (Ordinance)	PASSED TO SECOND READING MAY 25, 2005 AT 9:30 AM
492	Authorize execution of a Lease Agreement with Nine Ball Enterprises LLC in the vicinity of SE Caruthers Street and SE Grand Avenue (Ordinance)	PASSED TO SECOND READING MAY 25, 2005 AT 9:30 AM
SECOND READINGS		
493	Authorize contract with Multnomah County Aging and Disability Services for \$10,000 for Relocation and Placement Services and provide for payment (Second Reading Agenda 452) (Y-5)	179259
494	Authorize contracts with Lakeside Industries, Porter W. Yett Company, Rinker Materials and K.F. Jacobsen & Co., Inc. for annual price agreements for asphalt concrete (Second Reading Agenda 455) (Y-5)	179260
Commissioner Sam Adams		
S-495	Require all contractors and consultants that contract for construction or Professional Technical Expert contracts with the City of Portland to have established contract dispute resolution processes (Previous Agenda 326) Motion to accept Substitute Resolution: Moved by Commissioner Adams and seconded by Commissioner Leonard. (Y-5) Motion to accept amendment to add the word "sub" on the first therefore, to read "subcontracts over \$50,000.00": Moved by Commissioner Adams and seconded by Commissioner Saltzman. (Y-5) (Y-5)	SUBSTITUTE 36318 AS AMENDED

At 12:10 p.m., Council recessed.

May 18, 2005

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,
OREGON WAS HELD THIS **18TH DAY OF MAY, 2005** AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Potter, Presiding; Commissioners Adams, Leonard,
and Saltzman, 4.

Commissioner Adams left at 2:09 p.m., recusing himself from Agenda Item 496.

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

<p>496 TIME CERTAIN: 2:00 PM – Appeal of Northwest District Association against Design Commission decision to approve the application of SKB-Uptown Investments, Owner, and Jack Onder, Developer, for the 24th Place Condominiums at 1-39 NW 23rd Place (Previous Agenda 430; Hearing; LU 04-018250 DZM)</p> <p>Accept a motion to tentatively deny the appeal and approve the decision of the Design Commission as modified by the neighborhood additions within the 24th Place Improvements Package; Staff prepare Revised Findings for June 1, 2005, 10:40 a.m. Time Certain: Moved by Commissioner Leonard and seconded by Commissioner Saltzman. (Y-3)</p>	<p>Disposition:</p> <p>TENTATIVELY DENY THE APPEAL AND UPHOLD DESIGN COMMISSION DECISION WITH MODIFICATIONS; PREPARE FINDINGS FOR JUNE 1, 2005 AT 10:40 AM TIME CERTAIN</p>
<p>REGULAR AGENDA</p> <p>Mayor Tom Potter</p> <p>Bureau of Housing and Community Development</p> <p>*497 Adopt and authorize the submission of the 2005-2010 Consolidated Plan and the Action Plan 2005-2006 application to the U.S. Department of Housing and Urban Development for the Community Development Block Grant, HOME Investment Partnership, Emergency Shelter Grant, and Housing Opportunities for Persons with AIDS Programs (Ordinance)</p> <p>(Y-4)</p>	<p>179261</p>

At 4:27 p.m., Council recessed.

May 19, 2005

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,
OREGON WAS HELD THIS **19TH DAY OF MAY, 2005** AT 2:00 P.M.

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

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

<p>498 TIME CERTAIN: 2:00 PM - Consider the proposal of Ben Kaiser, Kaiser Group, Inc. and Fremont Lofts LLC and the recommendation from the Hearings Officer for approval of a Comprehensive Plan Map and Zoning Map Amendments for a mixed-use project, with housing and retail uses at 714 N Fremont Street and 751 N Cook Street (Hearing; LU 04-067051 CP ZC)</p> <p>Motion to approve the Hearings Officer's recommendations: Moved by Commissioner Leonard and seconded by Commissioner Adams. (Y-5)</p>	<p>Disposition:</p> <p>ACCEPT HEARINGS OFFICER'S RECOMMENDATION</p>
<p>*499 Amend the Comprehensive Plan Map and Zoning Map Designation for the properties at 714 N Fremont Street and 751 N Cook Street at the request of Ben Kaiser, Kaiser Group, Inc. (Ordinance; LU 04-067051 CP ZC)</p> <p>(Y-5)</p>	<p>179262</p>

At 2:45 p.m., Council adjourned.

GARY BLACKMER
Auditor of the City of Portland

By Karla Moore-Love
Clerk of the Council

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

May 18, 2005
Closed Caption File of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

MAY 18, 2005 9:30 AM

Potter: On each wednesday we begin our council meetings with a question. And that question each week is the same question. It's a question that's asked in many villages around the world. And the question is -- how are our children? And each wednesday I ask that question, because we know that in communities and in villages, where the children are well, the village is well. So we always invite a group of experts in. And today's experts are here. If you would please come forward, then I will introduce you. What a good-looking group of experts we have today.

Adams: Yeah.

Potter: These are the student body council from bridger neighborhood school, a program and creative science school. We have the president, brittany cane. She's 11-year-old and lives with her mom and little sister brianna. She's in mr. Anderson's room. She plays softball and is a model. Vivian yu is 10 years old in the 10th grade. She's in mr. Lipton's class, lives with mom and two younger brothers, andy and william. Loves to play and read and play soccer on the weekends. Caitlin ham monday is 10 years old, also in mr. Anderson's class. Lives with mom, dad, older brother christopher. Plays softball is an accomplished singer. The treasurer is hanna gason. 10 years old, in the fifth grade. She's in mr. Hilde's class, lives with her mom, dad, younger brother thomas. She's an avid softball player and a big fan of baseball. So you folks can decide which goes first. Thank you for being here.

*****: Mayor Potter and distinguished members of the city council, we would like to thank you for the privilege of speaking to you this morning. We're fifth graders and attend bridger elementary school.

*****: Our school community is made up of neighborhood and creative science school students. We also have students that have moved into our school from youngston elementary school when it was closed three years ago. We also share a school with children with many disabilities. We're a diverse group of many different people from many different countries, and we like it that way. We have children from china, mexico, cuba, russia, afghanistan, vietnam, and africa. We all learn from each other.

*****: This year we have worked on several projects that involve children that we feel are much less fortunate than we are. We collected coats, hats, scarves, and mittens, for the transitional school in southeast Portland. These kids are homeless. We never thought of kids being homeless before, but there are a lot of them. We also collected food for the Oregon food bank for the hungry. We learned that Oregon has one of the highest rates of hunger and we wonder why.

*****: Every year we have to take tests and so that we're learning. That's a hard job, but it would be a lot harder if we didn't have a home or food to eat. Being a kid should be fun. But it isn't for homeless kids. They don't know what it's like to play, laugh with friends, talk on the phone, or have sleepovers. We don't think that's fair. We think that there are certain rights that children should have. We're just kids, but we can see there's a big problem. We want you to fix this problem. That's your job. We would like to -- [laughter]

Adams: Can we have till friday? [laughter]

*****: We would like to help. We think you should make a task force to work on the problem and have kids be on the committee, too. We even have a name -- from one kid to another. We could

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work on fundraising and everything, but we need some adults to help so we can make big money and donate it to kids and kids only.

*******:** We want to solve this problem so badly. It is something that has bothered us a lot. Thank you for listening.

Potter: Well, thank you all very much.

Adams: That was great.

Potter: I think a round of applause is very appropriate. [applause] anybody wish to respond to these young folks?

Leonard: I'm afraid to. [laughter]

Adams: You did a great job. Very persuasive.

Potter: Thank you very much for being here. We also have a visitor with us today, visiting Portland this week from china. Mr. Wu, could you please stand up? Oh, there he is. Thank you very much. Mr. Wu's foundry, the five rings cultural relics, donated to the city of Portland a beautiful six-ton cast-iron bronze elephants that now stand in the north park blocks.

Adams: Yeah: [applause]

Potter: I understand that he's in town to meet with our department of transportation and p.d. Staff to discuss the design and production of bronze plaques installed as part of the streetscape improvements in the oldtown chinatown improvement. He's meeting with a nonprofit group to oversee the design and production of a large bronze deep relief art that captures the essence of 5,000 years of chinese civilization. We're very honored today to welcome mr. Wu today to Portland, and I hope that you have a wonderful visit. Thank you, sir.

Leonard: Thank you. [applause]

Potter: Thank you.

*******:** Appreciate it.

*******:** He said i'm very glad to come back and visit to the city that he's been treating it as his second home. The city has some very beautiful ancient work that he really appreciates, and that the friends who are here are all very kind to him. He's established very deep feelings toward the city. He said he would like to use best use the remaining of his life to contribute further to this wonderful city. He said, please consider my plea. Thank you very much. [applause] [gavel pounded]

Potter: Council will come to order. Karla, please call the roll call. [roll call taken]

Potter: We'll now hear communications. Karla, please read item 462.

Item 462.

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

Paul Phillips: Yes. Paul phillips. And safety first. I hope that you can see this picture. Maybe you people have seen it before. I read most of this document two weeks ago, and I said that i'd comment on it, and i'd like to finish the rest of it. The c.d.c. states, up in the upper left-hand corner of the page, safer, healthier people. And also i'd like to read the web address on the page. www.cdc.gov/od/oc/media/fact/safety.html. This article was reviewed -- excuse me -- Friday, october 24, 10:10:50, p.s.t., pacific time, 2003. In just two weeks roughly \$5 billion has been spent on occupational injuries as stated in the article, \$121 billion annually. That's \$10 billion-plus a month. It calculates up to \$2,326,923.76 a week. Between the may 4 and today's date roughly 224 people have died on the job. And, of course, the Portland cab driver died that very same day, may 4. 238,000 people have been injured since may 4. The average estimated cost per accident is \$19,500.40, average. And the bureau of labor --

Potter: Mr. Philips, you have to wind it up.

Phillips: Yes. The bureau of labor and statistics, by going to their website to find the total employment with 6.3 million a year being injured on the job, that it calculates up to 4.5% yearly of the work force injured.

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Potter: Thank you. Karla, please read the next item. Good morning, mr. Long.

Item 463.

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

Potter: Please state your name when you speak. You have three minutes, sir.

Charles Long: Yes. My name is Charles Long. I wanted to bring to the attention of the city council a great opportunity to obtain a decommissioned aircraft carrier, the Ranger, to be put in Portland's harbor for a multipurpose use. I asked the clerk to give each councilmember a copy of this article which was dated April 27. I hope you'll read it carefully, because it has a lot of information. This aircraft carrier is over 1,000 feet in length and is capable of housing 86 dignity villages. It's designed to -- to house that many servicemen. There's a concerted effort by Navy veterans to obtain this carrier. It's not only a good tourist attraction, but it also could be used to house -- temporarily house homeless people and provide a number of services for them, including office for social service, employment, an infirmary and a chaplain's office for volunteer chaplains to minister to the various religious faiths. It also can have a shuttle service to the central city. Among those supporting this effort is retired naval rear-admiral Hank Glendamen who formerly skippered the Ranger and he's thrown his weight behind the project. It would be a wonderful effort to have this facility in Portland and I understand that it's not going to require any government funds. It will be privately financed. So I hope the city council could give their support to this project. Thank you.

Potter: Thank you, sir. Karla, please read the next item. Thank you for being here this morning.

Item 464.

*******:** Thank you. I'm sorry I have to be here.

Potter: Could you speak, tell us your name, and you have three minutes.

Freedom Child: Thank you. My name is Freedom Child. I live in St. Johns. And I was here on May 4, and I was telling you about how late one night in August 2003 I was approached by two men who had been following me in a car as I was coming home on my bike late one night. After I stood in my yard and repeatedly asked the two men in the car, "who are you and what do you want?," getting no response from them, the two men began to emerge from the car. At that point I turned and quickly ran up the porch stairs to get inside the safety of my home. I opened the screen door, stepped inside my house, and turned around to pull the screen door shut when I saw two men dressed in police uniforms standing on the porch facing me. There was a split second when I realized that I was safe within the threshold of my housing, and that the police could not enter my home, when suddenly one of the officers pulled the screen door open, grabbed my right arm and purse and yanked very forcefully while at the same time the other officer grabbed me at the top of my hair and ripped me out of my home. At that point I began screaming very loudly in a blood-chilling manner, both out of a terror of what was happening to me, as well as to attract the attention of my neighbors so they would come out of my homes to witness what was happening to me and prevent these men from further harming me. The men never identified themselves as police and they never told me what they were doing, why they were doing this to me. They said absolutely nothing. They closed the screen door behind me so I could not reenter my home, as one of the officers pushed me down on the porch, bent me over, jerked my arms in back of me, and slapped handcuffs on me. This particularly hurt my left shoulder, which had been badly injured in a bike accident a few weeks before and was still in the process of healing. My eyeglasses had fallen off and hit the porch, and I told them they had knocked my glasses off and were going to step on them, but they did not care and did not pick them up. I yelled several times, "why are you doing this? What are you doing this to me for?" they did not answer. I had no clue why they had done this to me and felt terrorized for being attacked by the police and ripped out of my home by my hair. The men then walked me to the unmarked police car and put me inside of it. As they were doing this, I told them that the handcuffs on my right wrist were too tight and was cutting into my wrist, but they refused to ease the tension on it. I was also very concerned about the strain that having my arms

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wrenched behind my back was putting on my injured shoulder. A number of squad cars began to appear and soon there was a spectacle of at least five police cars blocking up my street and 10 other police officers standing about on the sidewalk and in the street around my home. I'm sorry, but I'll be back again. Thank you.

Potter: Thank you.

Item 465.

Potter: Good morning. Thank you for being here. If you'd please state your name when you testify. You have three minutes.

Alex Ansary: Alex ansary. I'm here representing the Portland committee for the appropriate enforcement of motor vehicle laws. I know you have a lot of issues, so I'll keep this brief and short. I was here last week when a peter rideout was trying to represent a richard koenig. Richard koenig was not able to attend his petition for the request for the license plate -- he's trying to get the law that -- the bill that states we need license plates for motor vehicles basically. He's the representative for our group, the knowledgeable person in this area, but the issue I'm bringing up today was the fact that he was not allowed to come in the building. He was concerned about being arrested if he came into the building because of something that was said to him by an officer here in the building.

And the issue was brought up, and to randy leonard, and the response was that he couldn't get any safe passage in. And that the comment was thrown out that no one was interested in the issue of his safe passage in, and that the person here was not signed up to speak. That's why I signed up to speak, to bring up the issue. If there is a court order that he's banned from any of the buildings, I'd like to see that. I'm not the main representative of the group, but I did sign up to speak in support, as a member of the committee. And that's all I have to say.

Leonard: Well, I don't normally do this, but I will -- I will tell you and your group, it is inappropriate to threaten city employees, it's inappropriate to do it in this building, and if it's done you'll be excluded and it was done.

Potter: Thank you. Are there further communications?

Moore: No. That's all.

Potter: Ok. Thank you. We'll take a vote on the consent agenda. Commissioners, any items to pull from the consent agenda? Commissioner leonard.

Leonard: Please. I'm sorry.

Potter: Number 476.

Leonard: Number 476. Thank you. We will hear number 476 after we've heard all of the time certain. We'll now go to time certain.

Moore: Do you want to see if anybody else has anything to pull and take a roll call on the balance of the consent?

Potter: Pardon?

Moore: Do you want to see if anybody else has anything to pull and take a roll call?

Potter: Yes. I'm rushing ahead, aren't I? [laughter] does anybody in the audience have an item to pull off the consent agenda? Karla, please call the roll.

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

Potter: Aye. [gavel pounded]

Potter: Now we'll move to the regular time certain.

Item 466.

Potter: I'd like to read a proclamation, and then staff would like to say a few words. But I'd like to have hollis mcclain and her sons dylan and hayden come up so we could read the proclamation. This is a proclamation I'm going to read. "whereas the graham clark bike-to-work week demonstrates the city of Portland's employees' commitment to the environment and whereas graham clark and our friend and colleague, who died earlier this year, used alternative mode of transportation to his work at the office of transportation and served as a role model, demonstrating

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his principles rather than preaching them, and whereas graham was an avid cyclist, biking to work every day, first solo and then with his sons, mentoring new cyclists at the city, leading the organization to three consecutive first place awards for public agencies and whereas the bicycle is a serious mode of transportation in the world, the world's 800 million bicyclists outnumber automobiles 2-1. Annual bicycle production is more than three times the annual vehicle production, and whereas bicycle riding produces no air or noise pollution, increases traffic congestion, saves energy, and whereas each bicycle ridership has positive significant impacts in increasing livability of the city, particularly bicycle transportation reduces taxpayer burdens by using road space efficiently." [inaudible] [applause]

Potter: Does staff wish to say anything?

Gil Kelley, Director, Bureau of Planning: Thank you, mayor Potter, and council, for recognizing graham. It means a lot to his family, and also a lot to his coworkers who want to carry on the spirit of graham and his work. He made a huge contribution to the future of the city, and we all remember him as an inspiration to us, and I think this acknowledges his importance. There are a whole number of coworkers of his from the bureau of planning and from the office of transportation and others who biked to work today in honor of this, and who continue to feel motivated by graham's contributions. Maybe i'd just ask them to stand.

Barbara Plummer, Office of Transportation: Thank you, council. My name is barbara plumber with the city of Portland office of transportation. I've known graham since the early 1990's. Yesterday I reflected back on my 12 years working with the city to improve conditions for bicycling. I was really struck by how much we've accomplished, how far we've come, and how far the tireless work of dedicated citizens has benefited our neighborhoods and citizens. There's some really great reasons why we are -- why Portland is continually given top honors as the best city for cycling. We've been at it a long time. It's part of our history. It's in our blood. Dates back to the glisans, the deacons. One look no further than the hawthorne bridge for a vivid snapshot of our successes to date. Ridership on the hawthorne bridge has risen dramatically, from 200 riders a day in 1975 to 2,000 in 1995. And since that day, just 10 years ago, we're approaching 4,000. Literally thousands of citizens' efforts have directly contributed to this rise. There are far too many to name. Over 2,000 people participated and commented during the creation of the bicycle master plan adopted by council in 1996. And to all those who have participated, Portland owes a lot. I wanted to go through just a few examples of some of the amazing display of this seen in the last decade. We now have over 250 miles of bikeways. That includes the completion of the esplanade. Safe routes to school efforts. The growth of the annual bike commute challenge in september, which graham was a big supporter of. We've staged huge events over the years, like bike fest on the burnside bridge. That drew over 10,000 citizens. And now we have bridge pedal. And now a full week of bicycle activities. That draws more than 15,000 riders. We've hosted national bike summer. We've seen an explosion of bike culture in the city of Portland. New organizations that serve the needs of different cyclists. We have Multnomah county bike fair every year. The community bicycle center serves just a handful of northeast youth and has grown tie budget of over a million dollars, a full-service bike shop that's one of the top three in terms of sales. And now touches the lives of thousands of people all over Portland with its programs. We also hosted national bike planning conference. Sidewalks on the hawthorne bridge to make room for all cyclists. The birth of transportation options has brought innovative new partnerships with healthcare communities, including kaiser and providence hospitals to develop kits, walking kits and bicycle kits to be distributed to citizens to give them the resources they need to get out and be active in their communities. This year, we also began the new women on bikes program. Our first women's clinic was last weekend, and we had 23 women who started out very timid, fearful of traffic, and intimidated by the gear, left with smiles on their faces. But lots of hard work and education still needed. Our infrastructure is still incomplete. We need to fill in gaps in the bikeway

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network so we have better and safer routes to schools. Local developers and business leaders need to be reminded that bicyclists are some of their best customers and shouldn't be treated like second-class citizens. A friend of mine, a councilmember in boulder, colorado, tells me they're on their way to being the first platinum city in the united states. He says we're toast. [laughter] but I think graham clark would say that we're up to the challenge. So thank you very much.

Potter: Thank you. [applause]

Hollis Clark: I just wanted to say thank you all for coming and thank you for the tremendous outpouring of love and support that you've given us. It's part of what makes this community so special and part of why graham loved Portland so much. And mayor Potter and commissioners, we're really honored to have you honor graham in this way. And I just want to remind you that the best thing you can do to honor graham is to continue support bicycle transportation in the city, and that's going to continue to make Portland one of the best places in the world to live.

Potter: Thank you, hollis. Thank you, aden and dylan.

Kelley: Wanted to acknowledge that there are other members of graham's family here today, too, in the audience. It's great to have them here as well. Thank you.

Potter: Thank you. Before we go to the time certain, I wish to pull item 488, and we have to vote on it before we go into the budget as a budget committee. Karla, could you please read item 488? Is there staff here? Did you wish to speak to this?

Item 488.

Sten: I don't think so, unless -- is gary blackmer here? The auditor is --

Saltzman: Can you show us where the amendment is that we adopted last week?

*******:** Should be directive g.

Potter: Is this as amended?

Moore: It is as amended.

Potter: On 511? That's what mine says under tab 488.

Saltzman: Ok, got it.

Potter: Are there people signed up to testify on this?

Leonard: I think it's the second reading.

Potter: Is this the second reading? Even if it's amended? [inaudible] I wasn't here last week, so I apologize. As soon as she gets back, call the roll. Sent her off on an errand. This is the second reading, so we take a vote on it. Karla?

Adams: This is --

Moore: 488. [inaudible]

Adams: My support of this measure is not about any individual behavior on the part of an elected official, a lobbyist or contributor. I haven't seen individual behavior that would cause me to -- would cause me great concern. If I did, I would call it out. Rather this measure, this ordinance, addresses what I think is a systemic problem that exists when campaign contributions swamp our local political decision making, both in terms of how we get elected and what is required of us to get elected, and then also the decision making that occurs once we are elected and the realities of re-election. So I believe that voter owned elections will save millions of dollars in the unnecessary -- in limiting and removing the often subtle and unnecessary spending that goes on to satisfy campaign contributors i'm very aware of the concerns of the cost of this measure, and i've taken this issue very seriously and talked to those that disagree with my point of view, but i'm convinced that this is what's best for Portland and best for our future. I want to thank commissioner Sten and everybody else who's worked on this measure tirelessly for so long, and auditor blackmer. I'm proud to vote yes.

Leonard: This proposal has evolved into a thoughtful proposal. It initially, when it was first proposed to me, was not something I could support, but I communicated with commissioner Sten a couple concerns, and the first one being my concern that candidates receiving public money could

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coordinate their campaigns together, and he took that concern to heart and fixed that problem, for which i'm thankful and I believe makes a better proposal. The second concern that commissioner Sten and I worked on to try to get resolved, and the proponents of this ordinance, was to at some point have it referred to the voters. Last week I came in here thinking I was voting for this, because although it didn't have an immediate referral to the voters, i've learned in politics sometimes you don't get all that you want. And my understanding was at some point in the next couple cycles, or maybe even three cycles, this would be referred to the voters. And I was ok with that, because at least at some point it would have been voted on by the voters. And it wasn't exactly what I wanted, but, as I said, life is about compromises. Unfortunately it appears from the city attorney's office that that's not possible to mandate. I mean, we can recommend that a future council refer this to the voters, but that's what it is -- a recommendation. And unfortunately in politics I increasingly learn that if it's not in writing, and not a deal, I can't support it. And this is certainly not a reflection on any of the authors of this or the proponents. I've very much enjoyed the debate and i've learned a lot. I would also say that I think that notwithstanding what the voters may think at this point, I think they, like myself, would learn a lot about what this proposal really does in a campaign in terms of if we actually went to the voters. And I would consider myself to be one that would be happy to explain the benefits of what this proposal does. But it is one of those very few issues that I think the voters need to weigh in, if not now, at least at some point soon. And the reason is because it really does change the paradigm in how we run for office. And i'm ok with that. I don't mind change. I don't mind doing things dramatically different. But I do have a nagging sense that it is something that -- that, as I said, on a very narrow -- for some very specific reasons, I think the voters should weigh in on it at some point. Unfortunately that's not possible. I regret not being able to support commissioner Sten's excellent work on this, and auditor blackmer. I appreciate what they've done and appreciate how they modified it, but unfortunately I can't support it today. No.

Saltzman: When I first heard about this idea last year, I have to admit I was skeptical. At first I questioned whether this was the best use of scarce resources. I was also very concerned about the potential for abuse of the public's money by unscrupulous candidates. Finally i'm always skeptical of any proposal that looks like it might lead to the creation of another layer of bureaucracy in the city. However over the year, as i've explored this issue and as this proposal has evolved, i've become convinced that it is a good idea and a wise use of public resources. I've come to understand that our current way of financing political campaigns serves to exclude large numbers of our citizens, particularly minorities and women, from the political process. Our community faces many challenges, and to face them we need good ideas and strong leaders. Effectively limiting access to our political system to those who can raise hundreds of thousands of dollars is unfair and counterproductive. Just as the city needs to reach out to our entire community in its hiring and purchasing decisions, we need to include the entire community in our political process. It's the right thing to do, and it's in the entire community's best interest. Still flaws in the process can derail a good idea. Initially I was concerned that the system was too prone to abuse. I raised my concerns with commissioner Sten and auditor blackmer and i'm happy to say that they addressed them. The code sections as drafted provide safeguards against a number of potential abuses that I was concerned about, specifically the code will ensure that a candidate cannot use public money to pay for out-of-state travel to purchase or lease a vehicle, to make contributions to another candidate or political action committee, to repay any loans, debts or penalties, to pay for any salaries or consulting services to family members unless that person is providing a bona fide service to the campaign, cannot pay any dues or fees to any club or recreational facilities. My concerns that the system not create a wasteful new bureaucracy were met when council agreed to my suggestion that the administrative expenses for the voter-owned election system be capped at 10%. And finally, my amendment last week now provides that in november of 2010 voters will be able to decide whether or not to continue the voter-owned election system. Although i'm satisfied that the voter-owned

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election system is a good idea, with needed safeguards and lean administration, i've personally decided against using it for my own re-election campaign. I've concluded that public money is needed to open up the system for those who are excluded, but i'm clearly not excluded from the system, i'm an incumbent, and to me raising money is part of demonstrating a work ethic and I think it serves a useful purpose, and public money is scarce these days, there's no doubt about that. So given that state of affairs, I couldn't justify myself using taxpayer dollars for my own political campaign, however I think it is a good thing that these resources will be available to those who might otherwise have been excluded from our process, and I vote aye.

Sten: Well, I want to thank everybody who's worked on this for many years. I see deb and joanne and chris and johnny, and susan who's done amazing work from the auditor's office, and the league of women voters. This is something that's had broad community discussion. I think there is disagreement out there as to whether this will work and as to whether the timing is right and as to whether or not it's the right idea. That being said, having been the lightning rod on this discussion, i've had hundreds, if not thousands of conversations, and i'm yet to come up with anybody literally who defends our current system. I'm yet to find anybody, including large donors, who thinks the way that we finance campaigns with unlimited donations, typically the regular ask from a councilmember to a real estate developer in front of us is \$5,000. Typically 80% of the time a candidate spends is fundraising and the vast majority of that is asking for large dollars. I'm yet to find anybody, literally, who's told me that's a good system or they think it's the future or it's really in line with the basic fundamental premise of one person, one vote. And I believe in the long run that this country is going to have to move away from privately-financed elections, because I think they've put the federal government in absolute gridlock. I think anybody who believes that the health insurance crisis is unrelated to campaign finance reform is probably working for the industry that's keeping it that way. [laughter] and that's not the state of affairs necessarily here in Portland, but Portland is a place where you make change and start to put new principles and ideas in place, and that leads to the greater good, as well as I think better support in our community, better trust, and it won't also just be about how the elections turn out. It will be how they're waged. You'll see many more people out talking with folks. You'll see people working their tail off who will fail, but you'll have much more robust debate, and this will go to the voters in a couple of cycles. I do feel today, very strongly, even though it's a point that's fair to debate in this broader community, that this is something that's worth trying. Then once people understand it, they will keep it or reject it, and that will be their choice ultimately. Sometimes I do think, though, this is -- this is a classic issue that because it's so tied to the power structure nationwide, as well as in our fair city, that the debate often becomes about -- about issues that are to the side of what's actually being discussed. And so from my point of view I believe this will pay for itself as commissioner Saltzman said. I also want to underscore, too, I think what's exciting about this is it's voluntary. Each candidate has every opportunity to raise as much money from whom they would like, and it's the voter's call. It gives the voters another option to judge candidates and gives candidates who can't currently run under the current system a chance to run. It doesn't give them a free pass to win. I don't think you're automatically going to lose if you don't take part. It's an option that will make our process much richer. We'll all learn from it. I wanted to thank auditor gary blackmer, who has been terrific on this thing. He's worked religiously through all this to fix every issue and set up a process as well, which is I think it's important, to appoint a citizens commission, so those unexpected improvements that need to be made and mistakes that happen in the way it's written have a clear way to be fixed and will have clear citizen oversight. I also believe when this does come before the voters with the result of several elections to judge the quality and merit of the proposal, it will also be improved, because he's got a continuous improvement system in place. I think it's an exciting day. I hope i'm looking at future candidates, who are intending to go out and show their grassroots

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support. It's my great pleasure. Thanks again to everybody who's worked so hard on this. I vote aye.

Potter: Well, I would like to thank commissioner Sten and the city auditor Gary Blackmer. About a year and a half ago when I decided I was going to run for public office, I went and talked to a political consultant, and being a novice to the world of politics, I said, what do you have to do to get elected? He said it's really simple. Spend six days a week, eight hours a day on the phone, asking, begging, and cajoling people for contributions. He said it would take at least half a million, closer to a million to win the mayor's election in the city of Portland. When I told him I couldn't do that, he said that he was really sorry, because that's really the only game on the table. And as a result I chose to play another game, about reaching out to people and doing a grassroots campaign, and thank goodness in the city of Portland that still works. But I think I'm an anomaly. I don't think everybody can do this. And so I really support this -- this ordinance and resolution, because it is so important to our future it's no coincidence that you see five white guys up here. I think we need more diversity on our council. I think we need more diversity in our workplace. And I think that this will give people who don't have access to the big money, will give people who don't have a lot of name recognition the opportunity to compete side by side with incumbents. So I value this. And I think the voters of Portland will see in the long run that this works to their best interest. And I think to those few zip codes that contribute most of the money in political campaigns will see a tremendous increase in economic development in those zip codes, because they won't have to contribute those large amounts anymore. [laughter] so I really value what we are doing here. I know that, you know, everybody reads the polls, but this isn't just about polls. This is about good government. And this has worked in other communities. And I think it's one of those foundation things that build good government. So I'm here to support it. I vote aye. [gavel pounded] I'm convening this meeting of the city council today. At this point we're -- pardon? Are we ready to move ahead?

Item 467.

Potter: Ok. I'm convening this meeting of the city council as the city's budget committee. Before I begin, I want to first thank each of my colleagues on the city council for helping make this budget process open, transparent, inclusive and accountable to the people we serve, the people of Portland. I believe we've been remarkably unified, united in our deliberations, with our exceptions and differences far outweighed by a common shared sense of optimism for the future of our city of roses. I also want to thank all of the staff and managers in our bureaus and especially the folks at O.M.F. here on many weekends putting the budget together, not only for their hard work, but to be open to new ways of thinking about this process. I want to thank our citizen advisors who brought knowledge and enthusiasm to the budget process. Finally, I want to thank the residents who came to our three community budget forums to share their concerns and hopes for our city's future and others who wrote and called our offices. This is ultimately your budget. The budget we're about to approve marks the sixth straight year in which the city has tried to meet its obligations with fewer resources. But I believe we're about to approve a budget that honors our initial pledge to Portland citizens, that frontline services will be protected, that innovation and efficiency will enhance customer service and citizens' concerns would be heard. Not a single police officer or firefighter will be taken off of our streets with this budget. Emergency response times will remain the same or improve. Our community centers will remain open. Citizens said they wanted their community gardens to remain open and they will. And our pools will. And our most valuable citizens will not be forgotten -- or I should say vulnerable citizens. In crafting this budget, the council has been guided not only by a collegial spirit, but by a citywide mandate, looked at what individual bureaus were doing rather than direction of our entire city. We quit thinking about thinning the soup and looked at what programs were truly serving our community and meeting its needs and interests. In the future, this process will only be enhanced as we begin a strategic visioning process that helps us

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tap our community's aspirations. Jennifer, will you please review a summary of the changed memo. This is the same document we discussed yesterday, but with the changes we asked the staff to make. Please highlight the changes that were made.

Jennifer Sims, Manager, Financial Planning: Yes. Thank you, mayor, jennifer sims, financial planning manager. With me today is also nancy hartline our budget process coordinator. I'd turn your attention to attachment b in the handout.

Saltzman: Can you raise the mike?

Sims: Oh. Is that better?

Saltzman: Yeah.

Sims: Sorry. Ok. Today the council is approving changes to the proposed budget per this change memo that I will highlight the changes that were discussed yesterday. This memo reflects our understanding from the various work sessions that the council has held, reviewing the proposed budget, including all of the items that were discussed yesterday. If you look on attachment b, the first item that has an as terrific by it, and we've tried throughout this document to put an as terrific by the things that are new to today's discussion, there were several changes regarding one-time funding, and I will talk about that in a second because that's on an attached table. Also, there were several changes regarding parks, also in an attached table. And the council discussed restoring a cold case sergeant, which would be \$84,600. This is related to changes in the handling of abuse and domestic violence cases, as well as the cold case unit. Since this was -- this document was prepared, i've learned that it appears that the police bureau has existing resources to pay for this. So while this document here shows that this would be an increased cost if someone wanted to move to change that that could be revised to reflect that other information. Another change was the discussion of the use of savings that were accrued in the bureau of development services through a variety of cuts that were made, and the council's interest in redirecting those resources to customer services, and that is \$141,000, not general fund, so those are derived from fees and revenues to that bureau. That would be achieved by using those found savings, reducing a position to halftime and other materials and services. More specifically on the next page, under table one, for one-time funding, the council was interested in funding two skateboard parks for a total of \$228,000. \$100,000 of that would go to pier park with matching donations of \$100,000. There's also a budget note to that effect, which i'll touch on later. And for glenhaven, there is an allocation here of \$148,000. The balance is to come from parks. And that would fully fund the -- the new park there.

Another item under parks was to restore -- for one-time funding -- was to restore the interstate firehouse cultural center for \$99,785,000. \$80,000 of that would be matching funds, directed through a steering committee. There's also a budget note on that. The net result of that is that there -- it would revise the amount that's available to transfer to the general reserve fund. There were no changes to the bureau of environmental services. Also I wanted to mention, under parks, that we have indicated on table three, buckman and m.l.c. pools to continue to stay open, and there has been a question that was raised that I think needs some clarification. We've included here that that funding would be ongoing, and for \$151,000, and the question is whether that is actually the number that we want to include and whether that should be ongoing or if it should be made to match the commitment that was in the levy, which would fund that for the next two years, and then could be revisited. So we've shown it here as ongoing, and that's -- that's a question that you could consider or leave it as is. Finally, the other change shown for the parks budget is to include a \$1 per hole surcharge for golf for an estimated revenue of \$400,000, and that is reflected as revenue to the golf fund. There's also a budget note on that. There were no additional significant technical adjustments, so I would direct your attention, then, toward the end of the document to attachment --

Saltzman: Jennifer?

Sims: Yes, sorry.

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Saltzman: Is this the right point to raise an item that I think was omitted?

Sims: Sure.

Saltzman: We discussed yesterday \$100,000 for the summer youth employment program.

Sims: Yes. I have that as a budget note.

Saltzman: Oh, ok. Sorry.

Sims: Good question.

Saltzman: Ok.

Sims: Attachment d includes all of the appropriation changes, and then at the end, on page -- let's see, got to find the right page. At the end of attachment d, which is several pages thick, 10 pages, there is an attachment that is called "proposed to approve changes amendment, campaign finance allocation." I wanted to include this to show how those funds would be charged for the action that you've just taken regarding the voter-owned elections. And this would be the amount that would go to the newly-created fund and would be for a total of \$1,296,000, and the charges to that, as we've discussed before will be based on a general fund overhead allocation and be transferred to the newly-created fund. Last item is attachment e, which is a list of budget notes. I turn you to page four starting with the bureau of police. This is a new budget note proposed to be added that provides some clarity and direction to the police bureau regarding \$1 million in one-time funds directed to be used for a variety of projects, mostly in downtown, old town and china town. This includes formation of a steering committee with appropriate community partners and reporting to council by february of next year on progress implementing these strategies. Under parks, number one -- again, all these that have asterisks by them are new -- specifies that the \$100,000 for the pier park skateboard park is subject to the additional donation of \$100,000. Number two is regarding the increased parks maintenance. This directs parks bureau staff to prepare an ordinance to prepare the golf surcharge and to authorize that the revenue generated be used for parks general maintenance. It also directs that o.m.f. Work with the parks bureau to prepare a financial plan by june 7 so that the changes necessary to implement the plan can go in the adopted budget. I think that's generally what the discussion was yesterday with the council. Page five, number four, under parks, also, calls for creation of an oversight community for the interstate firehouse cultural center, and this committee will review eligibility for \$80,000 in one-time general fund resources to go to that facility. Next under bureau of licenses is direction to implement a checkoff system that will allow businesses to donate funds to the regional arts and culture council. There are two parts to this. The first is to implement the checkoff system for the tax year 2005. So that's the current tax year, with action, it would then be collected at the end of this year. The second part is to make amendments to administrative rule to eliminate the project by project apportionment option, which is estimated to raise \$200,000 for tax year 2006. Under the office of finance, this is commissioner Saltzman's question, we have direction to h.r. Division of o.m.f. To increase participation level for the summer youth employment program from 35 to 70 students for the summer of 2005. This assumes, based on discussion of the council yesterday, that the cost for the additional 35 students would be absorbed by the bureaus. So the additional employment would be provided, but it does not include a direct additional funding for that.

Saltzman: I thought we decided to do both yesterday.

Potter: We did.

Sims: To do both, to increase the funding.

Saltzman: Right.

Potter: To increase the funding, and have the bureaus also provide additional positions within each bureau.

Sims: Is your intent to do that with the general fund discretionary funds?

Saltzman: Yes.

Potter: Yes.

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Sims: To fund all bureaus, or were you just having the --

Saltzman: The \$100,000 is general fund discretionary.

Sims: And then the --

Saltzman: You know, the \$100,000 will get us to double the number, from 35 to 70.

Sims: Ok.

Saltzman: But beyond that, we want the bureaus to create further positions.

Sims: Ok. So do both.

Potter: Yes.

Sims: So we would need to amend the change memo to allocate \$100,000 of one-time discretionary revenue to pay for this summer youth employment.

Potter: Yes.

Sims: Ok. And then we also would want to -- I guess this budget note is still appropriate, still directs that they would increase that program.

Potter: Yes.

Sims: Ok, can do that. On the last page, then, item number two at the top is commissioner Sten's proposal to develop a pilot project to expand low-income utility assistance program to residents of nonprofit multifamily rental properties. And finally under office of the mayor, a note regarding the bureau innovation project that will be further developed by work teams, implemented during fiscal year 2005-2006, and with progress of the work teams to be collaboratively discussed at monthly joint city council and bureau director meetings. I think that's it.

Potter: Any questions from the council?

Sims: So if I heard the changes, then, that the council might want to make, would be to add \$100,000 of one-time for the summer youth program, to change the cold case sergeant to be from existing resources rather than adding ongoing resources to police bureau. There still was a question, at least to me, about what the intent was about the funding of the pools, whether that was ongoing or one-time. And I forgot that we did change the fire system study to -- to include regional language.

Potter: And that was in the -- in here.

Sims: Yes.

Potter: So let's take them one at a time. What's the first one you needed clarification on?

Sims: Let's start with the cold case.

Potter: Ok. We're going to take it from that -- the \$1 million allocated to the police bureau?

Sims: The question initially was, would it be from ongoing or one-time monies, and my understanding is that the police bureau is able to fund is within their existing appropriation, so it would need no additional resources.

Potter: Oh, ok.

Sims: So the way these materials are proposed, it would be from ongoing discretionary, but I understand we could take that out.

Potter: Well, if they have it within existing resources, that would be the best, so --

Sims: Ok.

Potter: Next.

Sims: The next one was about the clarification of how the pools should be funded. We have them funded here at \$151,000 of ongoing, and the question was whether that was intended to be ongoing funds or one-time for two years to match the commitment in the levy.

Potter: I don't know that we discussed that, but I think that the reason some of us changed our minds is because there was a commitment made in order to pass the levy that during the life of the levy that the pools would be provided support.

Leonard: Although I was hoping we could commit to a bridge between now and whenever we started the community center, because I think i've said more than once that it's -- it didn't, for me,

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impact my position whether it was spoke to or not in the levy, I think the community needed a pool.

And I also agree, we shouldn't invest a lot of money in it, because it's an old pool, and will continue to have problems, but I would like to be able to bridge it, maintain it, until we can have a date that we would open a pool at the community center.

Potter: One of the things we talked about was the need to also get the assessment of the damage to the pool.

Leonard: Yes.

Potter: And that I think that we were going to hold off until June to make that -- or until we found out what -- when it was going to be --

Leonard: Well, not on the money to fund the pool.

Potter: No.

Leonard: On what it may take beyond what the school district has in resources to repair the pool.

Potter: Yes.

Leonard: Literally at the end of the council session yesterday, David from my office has dived into the middle of that, if you will, and is working with the school district to determine precisely how they're analyzing and diagnosing the problem and what can be done to expedite that, and then come back, then, based on our conversation yesterday, and report if -- what the amount may be needed to repair the pool, and what may be needed, then, from the city, if anything, to help move that along. Again, my framework has been more to try to keep the pool operating without investing a lot of money in it, but keep it operating until we can get the community center built.

Potter: And mine was to do it for at least the length of the levy. I'm not saying differently, but I just --

Leonard: You know, this has come up on another subject, and I think look a lot of reasons it's probably not important that we decide that now. I mean, we make every budget decision every year based on our circumstances every year. So in many respects everything we do is fund one time. There's no guarantee that we're going to fund anything next year that people may assume is ongoing anyway. So I'd just as soon as wait to see how the circumstances play out, and make a judgment, you know, at the time.

Potter: Sure.

Leonard: We can discuss it then. We don't know what our resources may be, what -- you know, what kind of revenue we may be experiencing, and this may be a moot issue in terms of having to make that decision by the time the time the two years come around. I'd like to continue to fund the pool, like we would anything else, based on the availability of our resources. I don't know that we have to decide that now.

Potter: Any other discussion? So, Jennifer, have we made things cloudy or cool?

Sims: No. We'll make no changes on that, then. The last item was \$100,000 for additional youth employment opportunities from general fund discretionary, with the understanding that that would -- that bureaus would also provide additional funds.

Potter: Yes, that's correct. Is that correct?

Saltzman: Uh-huh.

Leonard: Yes.

Saltzman: Ok, that's fine.

Sims: And I believe that would be all of the changes.

Potter: Ok.

Sims: Anything else? Ok.

Potter: Was commissioner Adams returning or --

Leonard: He said he would be back.

Potter: Ok. I guess we're at the stage where we vote.

Moore: Do you want to get commissioner Adams or just vote without him?

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Potter: See if he's available.

*******:** Karla, was there sign up sheet?

Moore: I didn't have a sign-up sheet for testimony, but --

Potter: Ok, i'm sorry. We will hear from the people who have signed up to testify. Thank you. Thank you for being here. Please state your name when you testify. You have three minutes.

Irwin Mandel: Irwin mandel. I'm testifying on the budget item, the \$1.3 million for voter-owned elections. I know you've passed the elections, but you still haven't passed the money to fund it. One issue, commissioner leonard just raised, we've been promised that this would -- or you have promised that will go through several election cycles, and yet as commissioner leonard just pointed out with another item you can't guarantee money for another election cycle on this. I think you can't obligate another council and another budget to provide money for it. In addition to which it's \$1.3 million from general funds. So apparently we have enough money to take care of our homeless problem. We don't need the \$1.3 million. We have enough money to take care of any battered women's shelter or abused children's shelters additionally. We have enough money. We don't need the \$1.3 million. And apparently it isn't -- we're not in a great hurry to start alleviating part of the business income tax. It isn't that urge event. \$1.3 million could easily be applied there, in addition to which I have heard an awful lot in the not too distant past about the community -- consulting the community before decisions are made. Commissioner leonard brought up the perfect way to consult the community about this issue -- put it on the ballot. Otherwise you're back to top-bound governance about contentious and difficult issues, particularly in stressed budgetary times. This item should go to the ballot before it is enacted. And keep in mind, you cannot guarantee that it will ever be enacted again monetarily. Thank you.

Lili Mandel: Lili mandel. This budget is setting off \$1.3 million alarm bells in my head that are being taken out of this budget for so-called voter-owned elections. I'm going to read you a letter that we wrote to "the Oregonian," but they didn't publish. "the city council is forcing us to buy elections, whether we need, want, or can afford this expensive purchase. Considering the impoverished state of essential city services, it is unconscionable that the majority of the voters to decide if we want to pay the price to own elections. We Portlanders have proven in the last election that money can't buy our votes. What is this really all about? We resent being forced to pay for and swallow a bitter expensive bill for a disease from which we no longer suffer." thank you.

Potter: Thank you. Others to testify?

Moore: That was all who signed up.

Potter: I will entertain a motion to approve the budget as amended by the change memo.

Leonard: So moved.

Adams: Second.

Moore: Karla, please call the roll.

Adams: Once again, I just want to commend the leadership of the mayor and the mayor's staff and everyone in the office of management and finance. Also want to acknowledge the good teamwork with my colleague, erik Sten, on team b, and the idea that got this all started with commissioner Saltzman and this, I think, has been a very good budget process, and want to commend everyone involved with it, especially the citizens that turned out at the budget meeting. So I vote aye.

Leonard: I want to reemphasize a couple of points and that i'm particularly proud of, and all of us on the council need to be, and I hope the citizenry acknowledge. Though we reduced the budget by some \$7 --

Potter: \$7.5 million.

Leonard: -- \$7.5 million, every police officer working today on the street will be still be working, every firefighter, every fire station, every community center, and now every pool in the community will remain open, in addition to community gardens, and I was really -- I have to tell you -- inspired from yesterday's small discussion, though hopeful of the discussion we will have in the next year on

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doing what the mayor's talking about in terms of creating partnerships to keep community centers open, but do the partnerships intracity, within the city, that we use our resources better to get services out into the neighborhoods, better utilize our existing facilities, there by reducing the costs and keeping community centers open and neighborhood coalition centers open and operating by better using our resources. That probably -- there's nothing that we've done here that encourages me more than that discussion yesterday for the next year. I'll also point out in addition to maintaining the services the council has made what I consider to be an imminently wise decision to sidestep some of the politics that's occurring at the county and forge ahead with the proposal to fund 58 jail beds with \$1.8 million combined with treatment. I can think of nothing we've done to assist the police officers and send a message to our citizenry, that we're serious about reducing crime, particularly meth-related drug crimes than actually funding jail beds. I can't be more proud of being on a council that unanimously agreed with that approach. Having said all that, I really do finally need to conclude by saying, while this was only my third budget at the city, having been a member of the legislature and on the ways and means, i've been through a number of budgets. This was the most open, collaborative, productive budget process i've ever been involved in. It was, as it appeared to the citizenry. I heard that many times, mayor Potter. It looks to us, to us, that you guys are actually for the first time discussing ideas and making decisions in front of the public, and I would tell people that is because it's the first time we've made those -- had those discussions and made those decisions. In addition to that I really respect working in an atmosphere where good ideas and the best good ideas are the ones are the ones entertained, and not necessarily whose good idea it was. It is refreshing to be on this council, it is inspiring, and it is why I came here, to be able to do the work i've been able to do since january. And it's a pleasure and an honor to work with people that share similar viewpoints of government and the role of government, and we make decisions, some may try to exacerbate as divisions amongst the council, I would argue are differences that you could make on the head of a pin. I'm used to an atmosphere where you had truly gulfs in philosophy between how people approach funding schools and resources, and that doesn't exist here. I continue to appreciate that atmosphere, even more so since the first of the year. So i'm pleased with the overall product that is the budget. If not proud of it. Aye.

Saltzman: Well, speaking of a good idea, regardless of whose idea it was, I just want to clarify it was commissioner leonard's idea to have a legislative subcommittee approach.

Potter: Oops.

Adams: I looked at you two and said commissioner Saltzman. Sorry, I didn't mean to insult you.

Saltzman: But ultimately mayor Potter adopted the idea and operationalized it. I admit I wondered what we were getting into with this subcommittee approach, but in hindsight, I think I said this last week, it turned out to be a very good process. Not only open for the public, but really gave each commissioner the opportunity, I think, to really delve in-depth and spend a lot of quality time with the bureaus and staff, and it helped me to appreciate and understand better the workings of bureaus i've not been in charge of before, and I think that was a good, healthy exercise. And the end result was we were able to save the neighborhood response team, the auto theft task force, school police, keep our community centers open, community gardens funded, and still come up with a balanced budget. And also to lower the water rate increase that we're about to approve next. So I think it was a good process, and I learned a lot from it. I'm pleased with the outcome. And i'm -- I just wanted to add along with the jail beds, I think the other thing that i'm very pleased with is we'll be adding two new detectives to the child abuse and domestic violence unit, which is often seeing much of the meth crisis from its most horrendous angle, and that is from the perspective of the kids often found in he's hell holes and often taken to place. The two detectives will reduce the caseload significantly for the existing eight Portland police detectives. So it's a good budget. Thank you, mayor Potter, for this process, and giving us this responsibility and working with us. Aye.

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Sten: Well, I also want to thank mayor Potter. This was a unique budget approach. I think it came out very, very well. I want to thank Jennifer and her team with the budgets, and the execs from the offices. A lot of citizens that really helped on this. I think this came out very well. We have the right mix, I think, of responding to some new initiatives and some real problems that are beginning to develop in the community, as my colleagues have talked about, while at the same time keeping the core services just about as whole as you can in this type of situation. It's also difficult budget, but it's worth noting that some very good people are losing their positions in this budget. We didn't cut \$7 million by just absences and just things that don't hurt. And I don't think ultimately it's right not to recognize that those are not -- those are not wasted jobs. Those are people who are doing hard work, and I think serving the public, and we'll have to get by without them. I think it will be difficult. I think I just wanted to make one broader comment. I think one of the real lessons from this, there will be a lot of debate about whether we have the right form of government or not. I always tend to have an open mind on that and worry about the opportunity cost of changing things to some extent, but I think one hole in our form of government that was fixed with this approach -- and I didn't see it having been through quite a few budgets until mayor Potter tried this -- is that it's very healthy to have the team approach we did, where two commissioners who generally speaking are not the recent commissioner in charge of a bureau take a look at those bureaus. Under the other form we tended to have the commissioner in charge presenting the budget, and having done it both ways I recognize that as a commissioner in charge it is hard to distance yourself from the budget itself. And I thought this was a better approach for that way. I think it actually solved, without a charter change, one of the holes in our -- in our system. I think through the course of the year, a whole another debate, it's one thing to have somebody who's expert on each bureau. It's another thing to have them solely in charge of shepherding that budget. I think having the extra oversight, and commissioner Adams on team B, and same thing for team A, were able to find savings in bureaus that we weren't as familiar with by taking a fresh eye to it. This was a good innovation. I think the mayor has shown a way to do something very innovative. I'm pleased with the results. Investments in the right place. I think I'll stop there because it's been outlined and vote aye.

Potter: You know, I really do want to thank my fellow commissioners. Being a rookie mayor, there were a number of things that we did differently, but I appreciate the fact that you, Randy, came up with the idea of breaking into work groups. I thought that was extremely beneficial. I think it really developed, not just collegial, but a real sense of teamwork amongst the five elected officials here to come up with a budget that really does reflect the priorities of our community, I believe, and that it was -- it was a good experience. I think as we move to implementing a budget, I would like us to still maintain that sense of teamwork and collegiality as we move to implement the budget, because this is really where the rubber meets the road and how we begin to do things differently as an organization. I'd like to thank our bureau directors. You know, this is a difficult process for everybody. I think it was difficult for our bureau managers, because for them they were required, not just to look at doing the budget differently, but doing things differently, period, and how they could manage their resources better. So, you know, this budget is going to reinforce management training and supervisory training. It's going to look at how we create better relationships between management and unions by having labor management committees in each of the bureaus. It's going to see how we can connect closer to our communities, because our communities, we're here to serve. So we want to make sure that as this year progresses and this year we're going to be initiating a community visioning process. First one in decades. Where we can really go out and find out from the citizens what their priorities are, what their needs are, and how we can begin to shape the future of Portland. As commissioner Sten indicated, in October we're going to initiate a charter review commission composed of citizens, staffed by city people, that we can begin to look, not just at our form of government, which I feel sometimes this form of government tends to encourage silos, and I think we have to work, and this council certainly did against the silos. I also

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think there are other areas that we need to look at. Our civil service as a system really hasn't had any major reform in decades. Our police and fire pension disability system is having a committee look at it now and come up with recommendations we can take to the voters. There's been a lot of discussion about the role and the relationship with the Portland development commission. That too will be looked at. And other things that the citizen group feels necessary to look at, we will look at because the charter is really the basis by which all of our rules and regulations, and it gives us our authority to implement the citizens' vision for our community, is really important. And so I'm looking forward to the changes over the next 12 months. I'm looking forward to working with the council to implement this budget. I'm looking forward to working with our managers. And by July 1 I will have returned a good portion of the bureaus to the different commissioners, and that we can then go on with the implementation of this budget. So if I've left anybody out, I apologize. There's always my wife, who has been very patient about all of this, so maybe I better put that in there in case she's listening.

Adams: We want to thank your wife, too.

Potter: Yeah. So I'm very pleased with this document, and I hope that this -- this teamwork continues on and through the remainder of the year. I have a strong sense that I will. Thank you all. I vote aye. [gavel pounded] the budget committee is now adjourned. We will proceed with the 10:30 time certain.

Moore: We have the tax levies.

Potter: Excuse me. Nancy, come on up. We're still a budget committee, correct?

Nancy Hartline, Financial Planning: Yes.

Potter: I'm required to -- I call to entertain a motion to approve the tax levies, the proposed language, the city shall levy its full permanent rate of \$4.77 per \$1,000 of assessed value, and \$8,150,000,938 for the payment of voter-approved general obligation bond principal and interest, and \$86,597,962 for the obligation of the fire, police disability and retirement fund, and .4026 per \$1,000 of assessed value for the children's levy, and .3900 per \$1,000 of assessed value for the parks levy.

Leonard: So move.

Adams: Oh, I think you should read it all. [laughter]

Potter: Am I required to read it all, Nancy?

Adams: Really? No. [inaudible]

Potter: Where is that?

Adams: 10 pages back.

Saltzman: No. It's on the second page.

Potter: Ok. This one?

*******:** Yes.

Potter: Good. This hearing is being held by the city council of Portland, Oregon, in compliance with the provisions of the state revenue sharing regulations, O.R.S. 221.770. It is to allow citizens to comment on the possible use of these funds in conjunction with annual budget process. As proposed for council adoption, the fiscal year 2005-2006 budget anticipates receipts totaling \$3,866,793 from state revenue sharing. As has been the case in prior years, it's proposed this revenue be allocated in equal parts to support fire prevention and police patrol services. Is there anyone here today that wishes to be heard on this subject? Ok. Now I can adjourn the committee.

Moore: We need a roll call on approving the tax levies.

Saltzman: Can I ask a question of staff?

Potter: Yes.

Saltzman: I guess I'm curious, the attachment A that you handed out today, for the fire, police disability retirement fund is \$9 million greater than the attachment that exists in our notebook.

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Nancy Hartline, Financial Planning: Let me speak to that. Nancy hartline. The number that was originally distributed in the may 4 version of the memo was \$1.4 million higher than the number you see today. The may 13 version that you saw yesterday was an error. I reduced the amount by too much, and so this amount today is the correct amount.

Saltzman: So the \$86 million is the right amount, and that's \$1.4 million less than anticipated because they --

Hartline: Additional fund balance. Yes.

Saltzman: So the number was an error. Ok.

Hartline: Yesterday's number was an error, yes.

Saltzman: Ok. Thanks.

Potter: Any other questions? Thank you, staff.

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

Potter: Aye. [gavel pounded] now the 10:30 time certain.

Walters: No. You still need the budget sharing --

Potter: I'm trying to get there.

Walters: You need to do the state revenue sharing.

Potter: Oh, state revenue sharing. Of course.

Adams: It's not enough, but --

Leonard: Good thing we got ben watching us.

Potter: Makes me feel a lot better.

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

Potter: Aye. [gavel pounded] so ben, is it ok to go ahead now with the rest of it?

Walters: I believe so.

Potter: Good. Now we'll get to the time certain, won't we, Karla?

Item 468.

Potter: Staff, please come forward.

Mort Anoushiravani, Director, Water Bureau: Good morning, mayor and the members of council. I'm the director of the water bureau. I'm pleased to share with the council the proposed rate increases for fiscal year 2005-2006. Before I start i'd like to thank you, team x, commissioners Sten and adams, and their staff, which I thought this was a good process also. It challenged the bureaus. It made us basically look at our fundamental assumptions and make sure what we can do to provide service and it still be sensitive to the rates. With that, i'm going to see if technology's going to make me look good. Oh, there we go. The total budget for the water bureau for fiscal year 2005-2006 is \$105 million, and it's about equally split between our operating budget and our capital program. And the revenue that we generate through our rates and charges are about \$83.2 million, and \$60.4 million of that are true rates, and \$16.4 million are through the wholesale contracts we have with 19 wholesalers in the metro area, and about \$16.4 million are between the late charges and other charges that we have, for example, our system development charges and reimbursable work that we do for our agencies, or private developers. And this budget supports 444 full-time employees and 12 part-time employees. The average rate increase that we are asking for is .6% contained in your budget, mayor. And this rate increase also reflects several -- several packages that we had put before the group and the council and the public, and they include mostly work that we have to do -- deal with the maintenance backlog that we have in the water bureau, also additional water quality monitoring that we have to conduct at the open reservoirs. [unintelligible] also we have kept the low-income discount in the budget, which is 40%, and it's about \$4.65 per month. And also, the system development charges we have, it has increased by 5.5%, which is just the value of the existing system we have and what it basically costs for people to buy into the capacity of the system. And also we continue to offer the s.d.c. waiver for affordable housing as we have done over the last few years. The typical residential water bill that uses about 6,000 gallons a

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month, it will only increase 12 cents a month. And that's like \$1.44 a year, which I don't think you can get a cup of coffee for it, but that's good. Also the medium and commercial rate increases are only \$2 a month, which is about \$25 a year increase. And as a way of comparing our rates to other utilities that we pay, the water bill is only about 5% -- actually that's a typo. That says 4%. It should be 5% of the basic utility service that residential customers pay. Showing that information in a graphical form, and this pie chart actually doesn't include the cable and the internet and the cellphone. If you actually add those, the percentage of the water bill is even lower than that. As you notice, this is the lowest utility bill for residential, even lower than the solid waste charges per month. The typical residential bill over the last seven years has barely kept up with inflation. In fact, if you take the inflation into account, the rate increase has been about .63%. And that has been as a result of creating efficiencies in the water bureaus, and council and public expectations for us to keep our rates low. Just to give you a little bit of a perspective about how our water rates compare in the metro area, and high school in the past council has always wanted to see what the total utility burden is, so we've included the sewer, and that's what it looks like. And the water rates remains as one of the lowest one in the metro area. At \$16.71 currently, that's going to go to \$16.83 next july. The system development charges, again, ours is one of the lowest one in the metro area, and that's one of the issues that we work with the developers and residential users to make sure we keep it at the lower level. As you can see, some of the other one in the metro area are almost twice as high as ours. And with that, i'll be glad to answer any questions you might have.

Potter: Questions from the council? Thank you.

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

Potter: Is there anyone signed up to testify on this?

Moore: No one signed up.

Potter: Does council have any further questions?

Bob Tomlinson, Financial Planning: Mayor, if I may, bob tomlinson, financial planning. We recommend you take testimony after you read all three.

Potter: Oh, ok. We'll hear all three. Could you read the ordinances, the other two.

Item 469 and 470.

Potter: Thank you.

Dean Marriott, Director, Bureau of Environmental Services: Good morning, mayor Potter, members of the council. I'm dean marriott, environmental services director, and I will -- as mort did i'll move rather quickly through the rate presentation. A similar overview to what you saw before. Our revenue requirements are somewhat different. \$185 million. The first three bullets on this list are -- comprise the needs. \$85 million for operating program. \$107 million for debt service and cash financing of construction. And \$33 million for transfers to the utility license fee, payment of the utility license fee, and transfers to the rate stabilization fund. From that need you need to deduct the flow of revenue in from other nonrate sources, such as s.d.c.'s, wholesale customers, and other sources, including the safely real estate. The capital program is described on the lower half of the slide. It's a five-year capital program totaling \$771 million. As you can see from this chart, 80% of that is going to the combined sewer overflow program over the next five years. The last bullet on this list here, the last item of \$5 million reduction in the c.i.p. will be made as part of the budget process. We will be making that reduction this coming year. So that \$771 million will actually come down by \$5 million. And the operating budget at \$85.9 million is down 4.4% from this current year's operating budget. Net reduction of 8.5f.t.e.'s and includes some of the additional funding that you see listed here. This is the chart that always interests people. It's a pretty busy one, but let me just point out a couple of things to you. There's several columns. One is the current rate column, and then the proposed, and then the dollar change, or owe and then the percent change. You'll see the account service charge is relatively flat. The sanitary sewer volume charge, the surface water or stormwater management charge. And then the fourth one down, the average single

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family residential monthly bill, that is really the bellwether indicator that we've used for the last 10 years or more when we describe what the typical bill change will be. And that is 5.9% increase. You'll see the low-income discount increasing. We've increased that from 30% to a 40% assistance level. So that is good news for those who are finding the utility bills difficult. Down below, the commercial rates, always different from the residential rates. Toward the bottom, you'll see the industrial extra-strength rates. Those actually are declining, very good news for our large commercial customers that have extra-strength. This is a result of a study we commissioned just recently done by black and beach. They recommended that we adjust upwards the domestic strength of sewage and adjust downwards the rates we charge for extra-strength customers. Those extra-strength customers will enjoy some relief this year. Here's a comparison chart that shows where we stand nationally among communities like us. I've noted with asterisks. You can expect communities like cincinnati, Washington, d.c., pittsburgh, nashville, tennessee, begin to move rapidly up this chart, as they begin to implement their c.s.o. program. Just to mention a few other fees included in the rate ordinance, s.d.c. increase of 5.6%. On the development fees side, we are taking to heart some suggestions -- I know commissioner adams has been interested in this -- of cutting the fees charged for e zone reviews. We're cutting those to \$50, which is roughly cutting them in half. And just for those interested in where we stand with systems development charges, here's a comparison of Portland to other communities in the northwest. And with that, i'd be happy to answer any questions, or i'll be able to come back after you hear public testimony as well.

Potter: Any questions? Thank you. Ok. Staff for the --

Susan Anderson, Director, Office of Sustainable Development: Good morning. Susan anderson, director of the office of sustainable development. With me is bruce walker, the program manager for solid waste. Usually when i'm up here i'm here to bring you some kind of good news about a wind farm or building a new partnership, some kind of major grant, but here's just to show that we do do mainstream business like the rest of the bureaus, and that we're going to talk about rates. Each year we conduct a process to determine the appropriate rates for providing residential garbage recycling and yard debris collection. These new rates are developed with help from b.e.s.'s economist, john wright, using standard cost of service rate-making principles, and then are reviewed by the Portland utilities review board. To develop the rates, we review many different variables, such as fuel costs. We look at labor and health insurance, equipment costs, we look at the average weight of garbage cans and each size, we weigh more than 10,000 cans during the year. We look at disposable charges that are charged by metro, and the expected market value for all of the recycling that's collected, because of revenues from the recycling actually offset the costs of collection and disposal. In addition we hire an independent c.p.a. who reviews all franchised hauler financial records to monitor all aspects of the cost of providing service. For the past two years, this review has resulted in rates staying relatively flat, and actually decreasing for many residents last year. This was in part due to the incredibly robust recycling markets. This is the amount that the market pays for glass or for paper or for metal. But this year, times have changed remarkably. Anyone who's gotten into their car has seen the price at the pump go up, and that's affected dramatically the cost of service. This increasing fuel cost and also labor cost and health insurance costs, among other items, have caused us to have to raise rates for the first time since 2002. For most customers this will mean a 5.9% increase, which is about \$1.10 on their monthly bill. This is definitely a significant increase, however things are not always as they seem. For example, if Portland residents didn't do such a good job at recycling, we'd actually have to have rates about \$1.50 higher than they are, but the recycling that they bring actually offsets the costs that we have to charge in terms of collection. If rates were adjusted for inflation, rates would actually be \$24.27 instead of \$19.65. So the haulers in the system we have, with the private system of haulers, has been very cost effective at keeping rates down. That said, we know there's going to be a lot of grumbling anyways. We will notify every household before rates go up on july 1. We have a full-

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time hot line person for rate and other solid waste and recycling questions. To sum up, we've been lucky over the past few years to keep rates flat and actually down, but this year there's not a lot we can do about diesel fuel prices and about the teamster negotiated labor rates that are followed for all of the haulers. So we know the numbers are right. We've undertaken a really thorough analysis. PURB has reviewed the numbers. Nobody's really happy with it, but we know that it's appropriate and that we've used the right cost of service principles. Questions?

Potter: Questions?

Saltzman: So last year when we reduced rates, you said it was due to better-than-expected recycling revenues. And then this year is it more or less, the recycling revenues are being drowned out by fuel and labor costs and --

Anderson: The recycling revenues are down a little bit, the rates. They're still pretty robust to historically how they've been over the past 10 years, but it's not enough to overcome both health insurance costs of labor and fuel increases.

Saltzman: Ok. Thanks.

Adams: How are you going to notify of the rate increase, just out of curiosity?

Anderson: We have something called the curbsider that every household gets twice a year, which is a leaflet that explains what's going on, recycling, and other kind of --

Adams: In the mail?

Anderson: In the mail. We also -- the haulers also have additional information that they can leave with families.

Adams: Thanks.

Anderson: Thanks.

Potter: Any other questions? Thank you.

Adams: Next time have good news, ok?

Anderson: Ok.

Moore: We have the team b utility review group.

Frank Ray, Portland Utility Review Board: Good morning. I'm frank ray with the Portland utility review board. I also had the pleasure of serving with the team b utility review group. I'd actually like to read my statement from purb first, if I could do that.

Potter: Yes.

Ray: Thank you for the opportunity to comment on the proposed budget for the 2005-2006 fiscal period and the proposed rate increases for water, sewer, stormwater and solid waste services. We appreciate your support and the support of the bureaus in helping us in our evaluation of the bureau financial and capital improvement plans. The purb supports the mayor's proposed budget for the water bureau and bureau of environmental services. The proposed rate increases for the city's utilities are water, .06%, combined sewer and stormwater, an increase of 5.9%, and solid waste an increase of 5.9%. The purb finds these proposed rate increases reasonable and justified. The purb commends the city council for the steps taken within the past year to minimize utility rate increases specifically. The purb commends the council for imposing a cap on the utility license fee. We recognize that this cap further restrains general fund resources, and therefore we appreciate the council's willingness to curtail general fund spending in order to ease the burden on utility customers. Thank you, commissioner Saltzman for that, utility license cap proposal. The purb commends the council for seeking relief from the e.p.a. on the pending It2 regulation in order to avoid installing costly additional water treatment facilities. The purb commends the council for the new budget process that today concludes an intensive review of the city's utilities. We believe that this process left no stone unturned in an effort to identify cost savings intended to minimize rate increases driven in large part by the mandatory combined sewer overflow project. In particular, the purb appreciates the enlistment of volunteer utility financial experts and ordinary citizens to assist in evaluating the water and environmental services budget proposals. The purb supports the

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recommendations that this utility review group made in its report. The purb commends the mayor's office for the budget -- or excuse me -- the bureau innovation project, and we support its recommendation for the creation of an east side big pipe oversight committee to ensure that this project is well managed, that it maximizes cost efficiencies, and encourages contracting opportunities for local and minority-owned businesses. The purb has some concerns that it would like to raise with the council and continue to work on for the foreseeable future. These include the wholesale water contracts. The continued participation of wholesale water customers in our system is a key factor in keeping rates stable. The purb shares the desire of the water bureau in having the wholesale contracts finalized in a timely manner and to the satisfaction of all parties. Number two, the Portland harbor superfund site, the scope of this toxic contamination within Portland harbor is still being determined. The cost for cleanup and the size of the city's shares of those costs is yet unknown. We're concerned about the financial impact of future cleanup costs and whether utility customers will be able to absorb those costs in the form of rates. Number three, water fluoridation. The bill was introduced in the Oregon legislature this session that would require municipal water systems to add fluoride to their drinking water as a measure to improve dental health. The purb would like to understand the potential costs, benefits, and risks that fluoridation may pose for our water system. Finally, the combined sewer overflow project. The purb is concerned about the high costs of this project and the resulting financial impact to customers. We are concerned about the impact of high utility rates on the city's ability to attract and retain businesses. We are hopeful that the proposed east side big pipe oversight committee will be successful in seeing that the total cost for this project does not rise above \$1.455 billion. We question whether further cost increases will be affordable for Portland customers. In recognition of the fact that affordability is somewhat of a subjective attribute of utility rates, the purb continues to work on defining affordability. Dean marriott of b.e.s. has graciously agreed to assist us in that effort. We will continue our efforts of becoming a better-informed advisor to the city council and intend to continue working how to provide better and necessary meaningful input into the rate making and utility review process. And that concludes my remarks from -- as a purb member. I'd like to read the conclusion that the utility review group made in its report. It's just a brief paragraph. Based on our review over the last three weeks, we find the leadership of both water bureau and the bureau of environmental services committed and dedicated to doing the very best for the city of Portland and its residents, given the continual strain on available resources, confined by an affordable rate standard. The city council needs to be wary not to cut budgets to such a degree that the level of service system reliability and safety are detrimentally impacted. Our view, albeit a high-level review, is that you are approaching this line at current budget levels. Cost reductions from current levels are going to take reduction in service levels. Changes in city policies, modifications to current labor contracts, and significant out of the box thinking. These efforts will take management time, attention, and commitment to capture. That concludes my remarks.

Potter: Anybody have questions of the chair?

Adams: If I could, just thank you for doing double duty.

Ray: You're welcome.

Adams: You're continuing work on the purb adds great value to the decision making and considering process of the city council, and then you put in even longer hours as part of the task force, and was the bridge between the short-term utility task force and the purb, and I just want to thank you for the value that you added to that group as well, in sort of grounding them in the work that had already been done. So thank you very much.

Ray: You're welcome.

Potter: And I too want to thank you, frank. You folks have done a great job under difficult circumstances. And we value your input.

Ray: Thank you very much, mayor Potter.

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Potter: Thank you. Thank you. Other people to testify?

Moore: No one else signed up.

Potter: Questions from council? Karla, let's take the -- one at a time.

Moore: These are all nonemergencies, so they'll come back for a second reading.

Potter: Oh, that's right. So the three will go to a second reading. The regular agenda, Karla please read item --

Moore: Did you want to take the item pulled from consent?

Potter: That's right.

Item 476.

Potter: Please come forward.

Harry Auerbach, Sr. Deputy City Attorney: My name is Harry Auerbach from the city attorney's office. I was one of the attorneys who participated in negotiations toward this settlement that we've recommended to you. I'm happy to answer questions that you might have.

Potter: Any questions from the commissioners?

Adams: I guess to what extent, if any, we are admitting or not admitting that our officers did anything wrong.

Auerbach: We are not admitting any fault. We're simply resolving outstanding litigation.

Adams: So to the public out there, how do you sort of rectify or make sense of the fact that we're paying a substantial amount of money for something that at least you believe we did nothing wrong -- for which we did nothing wrong?

Auerbach: The conduct of the police officers was vindicated by a federal court jury. That result was altered by a ruling that the trial judge made as a matter of law.

Adams: Uh-huh.

Auerbach: And that puts us technically behind the eight ball, and our best advice to you is that the risk to the city is substantial, notwithstanding the vindication of the officers' conduct, and that the settlement is in the prudent interest of the city.

Adams: Could you further define the phrase "behind the eight ball" and why there's a -- another phrase in there that -- again, why would -- it's in the best interest of the city, because if this goes back to trial we're likely to lose, or even if we win we will have spent so much money that it doesn't make sense to do that, or --

Auerbach: The judge has indicated that she will rule against us as a matter of law on the retrial --

Adams: Matter of law, that's the phrase. What does that mean?

Auerbach: That means it doesn't matter what the facts are, we lose anyway. And so the judge has decided that based on what she believes the facts taken in the light most favorable to us are, we still lose as a matter of law, that the law requires that we lose. We believe that is error, but we can't guarantee that we could get a court to reverse it. In any event, it requires us to go through a second trial, the result of which will be necessarily some form of judgment against us, which we would have to appeal. If we were successful on that, we would have to try the case for a third time with, again, uncertain results. The combination of the uncertainty and the potential of the size of an award that could result, and the costs in pursuing it, led us to conclude that the best interest of the city would be to agree to the settlement and resolve the matter.

Adams: Thank you.

Potter: Other questions? Thank you, Harry.

Adams: Thanks, Harry.

Potter: Karla?

Adams: Aye.

Leonard: Well, I just want to briefly, although carefully, explain my vote. I certainly do not second-guess the inside comments of our city attorney's office. I think narrowly on the case, as they've explained it, I agree. My concern is beyond the legal liabilities involved, which is, I think,

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is why we have a city council. I mean, we certainly have to weigh the legal factors in cases, but I think we also have to weigh, for want of a better word, some of the political factors. One of those to me is the message this might send to other defense attorneys that -- I want to say this carefully -- if a perpetrator, who is accosted by the police -- accosted certainly assistant right word -- confronted by the police in their attempt to protect the public, and certainly to protect themselves, is injured, I do not like the message being sent that we agree somehow our officers may have done something that would cause us to agree that we needed to pay damages. I don't agree. I think it -- I understand some of the technical rulings in the case. That notwithstanding, I think this is one of those issues that -- and I don't have many of them I feel like this about, because I do think that most issues can and should be settled through discussions. This is one of those issues I do think we should be pursuing legally, because of the message that it may send. No.

Saltzman: Well, I think, as commissioner adams -- or as harry pointed out, really, that our officers were exonerated by a jury, but we're in the conundrum where the trial judge has more or less found them guilty by -- as a matter of law. Should we appeal this trial? So i'm going to support this award. I think it's the best of a bad situation. Aye.

Sten: Aye.

Potter: I too -- you know, having come from the police bureau often wondered how these things get settled, and having participated in the discussion on this I realized that the city of Portland is in a very difficult position, and that it is not because of the actions of the police officers. I feel they did everything appropriate. So my jaws are clenched, but I know that this is absolutely necessary to preclude further monetary loss to our city, and I want the police officers to know that from my perspective they did the right thing. I vote aye. [gavel pounded]

Auerbach: In as much as this was an emergency ordinance, the one vote against it means that it fails, and so the only way to reconsider that is if commissioner leonard, who was on the prevailing side, moves to reconsider, you could amend it, to remove the emergency clause and pass it to a second reading next week.

Leonard: Do they call that a conundrum.

Auerbach: That's a conundrum.

Leonard: Maybe I could consult with the mayor.

Potter: Do you want to talk?

Leonard: No. I move to reconsider.

Potter: Hear a second?

Saltzman: Second.

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

Potter: Aye. [gavel pounded]

Auerbach: Next you could entertain a motion to amend the thing to -- the ordinance to remove the emergency clause.

Adams: So moved.

Potter: Second? Do we have a second?

Saltzman: Second.

Potter: Yes. Karla?

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

Potter: Aye. [gavel pounded]

Auerbach: Now it will pass to second reading next week.

Potter: Ok. Thank you for your advice.

Auerbach: Thank you.

Adams: Is there any chance that because I have someone waiting to testify, that I could get consideration of 495?

Potter: Yes. Anybody have any problem calling up 495? Ok, let's do it.

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Item 495.

Adams: We currently do not have a consistent policy in the city of Portland regarding -- or requiring that our prime contractors provide mediation to their subcontractors when there's a disagreement about work. And some contracts have it. Some contracts don't. But what happens is that many minority and women-owned and emerging small businesses are -- when they experience a disagreement with the prime contractor they have no ability for recourse. And so this simply requires that all of our contracts -- our boilerplate contracts provide an opportunity for mediation between the prime and the subcontractor. We do not provide that mediation. I want to be clear. We just require that the prime requires it. And Mary Jo Markle on my staff, if you want to come up, and Fred Cooper, if you want to come up as well. Fred and I served together for a decade on the fair contracting and employment forum, and this was one of the issues that had been discussed over the years. So I'm really pleased to put it before the city council for consideration. Fred?

Moore: Mayor, first there is the substitute. Do you want to put that --

Adams: Oh, yeah. How do we do that?

Auerbach: That needs to be moved as a substitute for what was otherwise on the agenda as a second reading.

Adams: Ok. Can I move the substitute?

*******:** Yes.

Adams: I'd move a substitute, which is contained in your council book, substitute for item 495.

Leonard: Second.

Potter: What was changed as a result of that?

Adams: The major change was to spell out in greater detail how the process would work, and that to clarify that we were not offering mediation services, but rather requiring the prime and the subs to agree on a form of mediation that would be at their expense, not the city's. Is there any other major changes, Mary Jo?

Mary Jo Markle, Commissioner Adam's Office: Mary Jo Markle, commissioner Adams' staff. The major change was that before we put the onus on the bureau of purchases to develop a contract dispute process, but now we put the onus on the contractors themselves to make sure they have a contract dispute resolution process in place.

Adams: I'd also say before -- we have to vote on this?

Moore: We should, yes. It's been moved and seconded.

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

Potter: Aye. [gavel pounded]

Adams: We developed both versions with consultation with the association of general contractors and the coalition for black men, and then also individuals from the fair contracting forum. Fred?

Fred Cooper: Thank you. Mayor Potter, members of the commission, my name is Fred Cooper. I'm a small businessman in Portland I own a professional services company. I've been working in the city for over 25 years. In the process of being a minority business owner I have mentored many, many other small businesses. Of course, I deal with construction issues, as well as engineering issues. And so I had a -- I've had a lot of both type of cases to consider. I've assisted in doing claims processing or assistance, and in many cases it's difficult for a small contractor -- subcontractor particularly -- to get an issue before his prime. And so I support having this dispute resolution process in contract provisions. I think it's important that this kind of a process be available to people, but it's also important to recognize how it's done. It has to be done at the lowest administrative level. It needs to be timely. And, you know, it needs to be affordable. So your first whereas I support. The second one, of including mediation, I have one problem with, and that's with the -- the threshold. You know, the \$50,000 threshold, because when you go to mediation, which is one of the variations that you have to a dispute process, you really kind of -- you're really kind of raising the level up. Now obviously there's benefits. You know, and there's give-and-take.

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If you agree to a dispute resolution process, then you're agreeing to continue to do your work. So there's less likelihood of a default or delaying the project from completion. But you have to get it resolved. And so it should be done at the lowest administrative level. I see, when you put a \$50,000 cap on requiring mediation, you know, that it could again kind of elevate it up, and so I prefer to see that be a little higher number. Sue klobertanz was telling me that about 60% of the contracts that the city has are in the range of \$25,000. We're only talking about less than 40% of the contracts here being higher. So, you know, that's where you would want the mediation process to be a requirement.

Adams: So your preference would be \$25,000?

Cooper: No. My preference would be a higher number for the prime contract amount. You know, \$100,000 or higher.

Adams: Ok. Mary jo?

Markle: That's what we originally intended. We can specify more in the resolution, but that's originally what we were thinking, the contract between the subs and contractors \$50,000, because we didn't want to put a financial burden on the smaller contracts.

Adams: Ok. Thank you.

Cooper: Thank you very much.

Potter: I did have a question.

Adams: Oh, sorry.

Potter: I just want to find out, you mentioned that -- that this wouldn't slow the process down. How would that be? It seems that through this process, since both parties are required to -- to be part of it, and also to pay for it.

Cooper: Yeah. If there is a written process in a contract, then generally that means that both parties, the prime and the sub, are going to agree to resolve the dispute. And I mean in fact that they sign a paper to that extent. But that also means that they're saying that they're not going to stop work. They're not going to halt in completing their services.

Adams: Which, without this process, tends to happen now, the subcontractor, if there's a dispute, will halt the process because there's no forum in which to air the disagreement over. And I would be happy to -- a friendly amendment to put the word "sub" on the first therefore, so it's "subcontracts over \$50,000." do we have to take a vote on that?

Potter: A motion.

*****: Yes.

Moore: You moved and seconded?

Adams: I move.

Potter: Do I hear a second?

Saltzman: Second.

Adams: Aye. **Leonard:** Aye. **Saltzman:** Aye. **Sten:** Aye. **Potter:** Aye. [gavel pounded]

Adams: Thank you very much.

*****: Thank you.

Leonard: I move to approve.

Moore: Did you want to take testimony? I didn't have a sign-up sheet.

Potter: You do?

Moore: I did not.

Potter: Does anybody here wish to testify on this matter?

Walters: I had a question. Is this intended to apply to contracts in place now or contracts that the city enters into on and after the option of this resolution?

Adams: The latter.

Walters: Ok. Thank you.

Adams: So second.

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Potter: Karla?

Adams: I want to thank the council for their consideration. I know it seems like a small item, but it would mean a lot to certified minority and women-owned firms. Aye.

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

Potter: Aye. [gavel pounded] returning to our regular order.

Item 487.

Potter: I recused myself last time, so I will turn the gavel over to the council president.

Leonard: All right. Any comments by council? If not, Karla, please call the roll.

Moore: Should probably get a motion to adopt the findings.

Adams: So moved.

Sten: Second.

Adams: Aye.

Leonard: Again, I want to thank the staff, both sides. This really is a model for resolving disputes in neighborhoods. This is a fabulous outcome. Aye.

Saltzman: Aye.

Sten: I didn't think it could be done. Aye. [gavel pounded]

Potter: Is that it?

Moore: For that one, yes.

Item 489.

Anna Kanwit, Bureau of Human Resources: Members of the council, anna kanwit, operations manager for the bureau of human resources. I'll be quick. This matter goes back, as you can see from the ordinance, to 2000, and the brief history is at that time the Portland police association, the city of Portland, had entered into a collective tentative agreement for a successor collective bargaining agreement that actually dated back to July 1, 1999. As part of that tentative agreement the parties agreed to new contract language concerning incentives for the bureau to bring on lateral experienced police officers. Those incentives included some incentives in terms of vacation accrual rates and also the ability based on prior experience and education though those lateral officers to be appointed at a higher step in the salary range after completion of probationary period. What happened in this particular case is during this recruitment, then chief moose, was aware of the tentative agreement, and formed his rio owe informed his recruiters that they could let officer hall know, that, yes, he would be eligible for these incentives, so he accepted the position effective March 2, only to find out the tentative agreement was approved by council until April of 2000, and the only thing that was retroactive was the wage increases, not this portion of the contract. So this has been kind of out there for a while, but we did enter into a memorandum of understanding that's attached attached to this ordinance with the Portland police organization recognizing that officer hall shouldn't bear the full brunt of the misunderstanding. Appoints him at the five-year rate under that contract provision effective April 6, 2001. He actually could have been entitled to that earlier, but this was the compromise agreement that we entered into with the Portland police association and his back pay amount, because of that, is in -- in the ordinance it's \$23,962, but that was as of April 6, so that amount will be actually higher when he actually receives the retroactive payment. That's what we're before you today on.

Saltzman: So is he the only one in this situation?

Kanwit: Yes. He's the only one in this situation.

Saltzman: And he transferred from Maui to Boot, huh?

Kanwit: Yeah, I know. Probably regrets that right now. No. I met him. He likes working here.

Leonard: But an injury to one is an injury to all.

Robert King, President, Portland Police Association: Thank you. Yes. I'm Robert King, president of the Portland Police Association. And with that, it's true, my father's a longshoreman,

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i've heard that before. It's nice to be before you today on a matter that's not a crisis and not one that's publicly scrutinized and not one that fills the gallery with reporters.

Adams: It's so quiet.

King: It's so quiet.

Adams: I'm used to seeing you and hordes of people behind you.

King: I know. I really wanted to say that I thank both yvonne and anna for their work. We became aware of this some time ago, and through a series of discussions arrived at a conclusion about what the right outcome in this case should be. You know, there's been a lot of talk about labor management and cooperation and collaboration, and we've been meeting -- leo and I have been meeting with yvonne and anna and ed regularly, and there's some fruit in that relationship, and so I value and appreciate the work that anna and yvonne have done, and would ask you to support this ordinance. It will, I suppose, restore officer hall to a level of pay and step that he was originally promised, and solve this, and put this -- put this matter behind us.

Leonard: Anna, are we seeing evidence of a kinder and gentler bureau of human resources?

Kanwit: Gee, commissioner leonard, I hope not -- no. [laughter]

Sten: Actually, yes, we are.

*******:** Of course.

Adams: Just changed her mind.

Leonard: I know.

Kanwit: Of course, commissioner. As long as we still uphold our standards.

Leonard: I just wanted to get it on tape, that's all.

Potter: Any other questions? Thank you, folks.

King: Thank you.

Kanwit: Thank you.

Adams: Thank you.

Potter: This moves to a second reading?

Moore: Yes. [gavel pounded] [change of captioners]

Item 490 and 491.

Steven Iwata, Office of Transportation: Mayor and members of council. I'm steven iwata with the office of transportation. If you don't mind, I could describe both items 490 and 491. What we have are two agreements with the property owners one eleven tower otherwise known as the us Bancorp building. The 1200 building associates are the owners of the pacwest building directly across the street. They both have been actively as part of the portland mall revitalization project and through the process of creating the l.i.d. last summer, both property owners expressed some interest as well as concerns about the potential design of the light rail project. Both, in both situations we have light rail stations, one at oak street, at the u.s. Bank plaza building, and across the street at the pac-west building. In the case of u.s. Bancorp tower building they are planning on a major investment in the plaza. An open plaza on oak street between 5th and 6th avenue. We see an opportunity to coordinate the design of a light rail station on 5th and 6th with their plaza design.

So we are interested in doing sort of a public-private partnership effort to kind of coordinate their design with the light rail station with the idea of activating the entire space. Currently, there's a general recognition that that plaza is not working in terms of an active pedestrian plaza so we are trying coordinate how the station design and the u.s. Bank's interest designing that plaza to be more interactive. In the case of the pac-west building they are also' processing a station on both 5th and 6th avenue at pac-west and in this case pac-west is concerned about the architectural quality the station itself to match the design of the building and we are going to have some impacts to the building. We are going to remove the parking on the sixth avenue side of the pac-west and place the station on that side. We are trying to mitigate the loss, as well as match the design of the pac-west building. The agreement is basically to be a part of a joint public-private partnership with tri-

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met as the engineering agency, pdot with the property owners to move forward with a joint collaborative effort with an integrated design or approach for those two properties. The next steps in this process is to proceed with final engineering, which we hope to get final approval from the federal transit administration for july of this coming summer. And proceed with this collaborative design effort. And produce a design effort of sometime this fall. So this agreement is basically is a working agreement to kind of collaborate in terms of design details for the light rail project.

Potter: Thank you. Any questions from the council?

Adams: Yeah. I just want to -- I don't think this was discussed before but I think that the transit mall is an excellent opportunity for some showcase projects. I think we have got to introduce the concept of green streets not just out in the neighborhoods but also in the downtown area, especially on the transit mall. So I just want to flag that for you, my interest in that.

Iwata: We are working with b.e.s. Staff on some of those issues as part of this project.

Potter: In regards to the rest of the light rail project are you also working with other parts of the community for the remainder of the light rail project in terms of the collaborative approach?

Iwata: Yes, we are. In terms of specific stations, for example, we are, we just had a meeting with Portland state, for example, to talk about the station at Portland state. And we have met with the g.s.a. In terms of the station at the pioneer courthouse and we are looking at working with p.d.c. And others with the station at couch and davis. Right now they are surface parking lots so we are looking at kind of a development strategy to redevelop the surface lots around that station. And then there's an overall citizen advisory committee working with tri-met and p-dot on this process and through the summer and in the fall we are expecting a major outreach effort as well. So it's all part of the community process to engage both the property owners and the community at large in terms of the design effort. And right now we are kind of in the in between period. We just finished preliminary engineering and we are sort of waiting for the final engineer to get this go ahead to move forward with the next phase of the project.

Potter: Other questions? Is there anyone to testify?

Moore: No one signed up to testify on these.

Potter: This moves a second reading. Both of them. [gavel pounded] please read the next.

Item 492.

Steve Planchon, Office of Transportation: Mayor Potter, members of the council, I am steve planchon. I am the acquisition unit manager for office of transportation and we are here today to recommend approval of this relatively small lease. The southwest corner of grand and southeast caruthers. It's to facilitate the continuation of a viable produce company that has a warehouse there on the abutting property. They have a 10-year rental history with the city. This puts them at a long-term. It would be 20 years and we recommend approval.

Adams: What's the company?

Planchon: The company is apple foods. And the lease will be through its affiliated l.l.c. Nine ball enterprises.

Adams: Is it transferable?

Planchon: It will be transferable upon the approval of the city. Yes.

Potter: Other questions? Thank you. It moves to a second reading.

Item 493.

Potter: This is a second reading. Let's take a vote.

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

Potter: Aye. Please read item 494.

Item 494.

Potter: This is a second reading. Let's take a vote.

Adams: Well, just for the record this will be the last time I vote for any contract that doesn't tell me what the mwesb participation is and who the selection committee members were. Aye.

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

Potter: Aye. I think this is our last item.

Moore: Yes, it is.

Potter: We are recessed until 2:00 p.m. this afternoon.

At 12:10 p.m., Council recessed.

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2:00 PM

[Roll call]

Item 496.

Potter: Please read item 496.

Potter: Thank you. I have some question to ask of council before we begin. Do any members of council have any ex parte contacts to declare or information gathered since the last hearing or before the last hearing?

Saltzman: I have -- I have ex parte contact, my members of my staff have met with representatives of the neighborhood association, residents in the neighborhood, and the development team, however i've had no direct contact on this land use issue with any of the parties involved.

Leonard: I think that's true for my staff as well.

Adams: That's true for my staff as well.

Potter: Does anyone in the audience want to question any council member about the declared contact?

*****: Yes, I would.

Potter: Ok. Please come forward, sir. Please take a seat and when you ask your question, please state your name, sir.

Graham Covington: My name is graham covington, I represent myself. When I was here at the first meeting, I expressed a concern about ex parte conversation that commissioner adams had with some people. I was rebuked of a my comments by commissioner adams, his comments meaning to put me at ease that he was in no way intending to somehow circumvent the process we had going here. So I remained silent. In the last meeting we had, which was I suppose I think three weeks ago, in which commissioner adams described a number of ex parte conversations he had had since the first meeting, and i'm here to -- for my part only, to complain about the lack of transparency as an interested party here in conversations that the commissioners or the commissioners' offices in the case of commissioner adams are having with the developers and/or the northwest association that are in a sense not surreptitious, but they're not known to the interested parties here. I don't know that anybody is appointed commissioner adams as kind of the arbiter of the back room deal, and he doesn't represent necessarily my interests when he does so, so my request is that the process that you folks are following here be followed, and that the conversations that are to take place are to take place in open forum. Thank you.

Potter: Thank you, sir. Did you want to say anything?

Adams: I'm declaring a bias in this case, and -- is the right word recusing myself from further involvement. And if someone would come get me when this case is finished, i'll be back for the next case.

Potter: My second question, and I hope I don't lose any more commissioners over this -- [laughter] do any members of council have questions or other preliminary matters that need to be addressed before we begin the hearing? The council will proceed in the following order. We originally were going to have commissioner adams explain what occurred over the last six weeks, but we can't do that. And then we were going to have commissioner adams and staff present new information and options. Does commissioner adams' staff -- is anybody here that can describe what has occurred? Ok.

Saltzman: I should state i've reviewed the record, both the march 23 hearing as well as the may 4 council meeting.

Maria Thi Mai, Commissioner Adams Office: Good afternoon, mayor, commissioners. I've just handed a package of information to each of you and then there are some extras for those in the audience.

Moore: State your name.

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Thi Mai: Maria Thi Mai, with commissioner sam adams office. So what I will do is i'll review what's happened in the last six weeks, and then jeff jocelyn of the design commission will outline the council's decision options. On march 23, council made a tentative decision to remand the project to the design commission for further conversation. And then on may 4, council made a decision to postpone the hearing until today, may 18. Between april 2 and may 2, commissioner adams, with the support of council, convened five meetings with the development team and stakeholders from the northwest district association. The intent was to develop -- to identify opportunities to modify, enhance the project in ways that would address neighborhood concerns. Your packet includes meeting highlights and attendance rosters. As a result, a list of improvements were identified. The improvements included creating a gateway design, everett and westover street improvements, a green street, landscaping, and l.e.d. certification. Christe white from the development team will be presenting details on these improvements shortly. These improvements do not address the building design or the height. The office of transportation then provided comments to the improvement package. Their comments are included in your packet of information. They include reviews and approval to the city engineer, pdot and b.e.s. The hillside neighborhood association seeks to modify the 24th place to a two-way street. These modifications are also included in your packet, and are identified as the neighborhood improvements. The office of transportation has expressed initial concerns to this modification and would ask the developer to fund a traffic study on this project. The neighborhoods also support a traffic study. While these improvements were agreed upon by both the development team and some neighborhood stakeholders, other neighborhood residents continue to object to the building design and height of the building. You may hear testimony from the neighborhood stakeholders later in this session. Let me now introduce jeff joslin from the design commission.

Jeff Joslin, Bureau of Development Services Good afternoon. Remaining commissioners, Jeff joslin, bureau of development services.

Tim Heron, Bureau of Development Services: Tim heron, b.d.s.

Joslin: What we've prepared for you, I believe have you in front of you, is a simple matrix describing various procedural options, where we've come to date and where we are today. I'll quickly tick through those, give you an opportunity to ask any questions about those should you have any. I'm going to start with path number two first, because that really was the first action in this process. There was a design commission decision. You had an opportunity at earlier hearings to accept or reject that decision at that time, that first hearing in march. That decision was rejected and a tentative decision of remand to the design commission was what was prompted by the council. Should you change your direction at this time and wish to approve that project, you could as originally proposed and approved by the design commission, you could do so with a 10 different decision that would require additional findings to represent the additional record to date. At which point we would come back to a future council hearing for those -- for final adoption. Path number one reflects where council was at the end of that march hearing. Where there was a remand to the design commission, a tentative decision in response to that prior to the may 4 hearing, newly revised findings were drafted for council and you have those findings should you wish to adopt them. If you do so today, that remand would be in effect and that project would go back to design commission for further discussion, deliberation, development. There's a path three-a and three-b on this matrix as well. You've been provided as commissioner adams' office just informed you, with additional information, some additional design measures from the applicant's team that you could consider as you further consider the application. Should you desire based on that information anything else you hear to support this project --

Leonard: Where is this information on 3-a and b?

Joslin: The new information from the applicant is I believe was just -- has been supplied to you. Those are the --

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Leonard: That's in our packet?

Joslin: Correct. Those are those additional community-based mitigation or design measures, some transportation related, some others. Should you desire to approve the project with those changes, and/or other changes, you could do so today. If no new findings have been drafted, and staff has not drafted any such findings, that decision would be tentative. This would be path 3-a, and we'd work with council to develop additional findings to be approved at a later hearing. 3-b f. There are new findings in the room provided to you, and that you find appropriate and fitting, presumably with city council's advice, you could make a final decision today. And finally, paths 4-a and 4-b, you do have the option to simply deny the project and support the appeal. We have no staff prepared findings at this time, and we're not aware of any other findings about, so if you were to choose that path, presumably we'd need to draft additional findings and come back at a future hearing. If new such findings have been developed, you could potentially make a final decision at this time in support of a denial of the appeal. Excuse me, denial of the project. Hi to get something wrong in all that.

Potter: Do you wish to add anything?

Heron: No. I'm just here to answer any questions.

Potter: I would -- I can't speak for the other council members, i'd like to have someone walk us through this.

Leonard: So the changes that would be contained within 3-a or 3-b to the original proposal are in the front part of this packet?

Joslin: Correct. I believe so. They're identified as the community and site improvement.

Leonard: I'm sorry?

Is it the may 4 date on the top, with maps, exhibits attached toward the back?

Leonard: I don't know that I have that. I have so many maps and so many documents --

Heron: This one at the time, community site improvement package, the date of may 4 on the top.

Leonard: Item number one is introduction. Staff received this on may 9, the format looks familiar. I know there's a couple familiar looking documents.

Heron: That is the information --

Saltzman: We were just handed, the 24th place improvement package.

Joslin: That is the information, the most updated of which is going to be presented to you by christie white shortly.

Leonard: Ok. So 24th place improvement package contains the recommended modifications to the design commission's proposal prior.

Joslin: I believe so, yes.

Potter: It looks like there's three packages here. One is the improvement package prepared by the development team, one is the improvement package that pdot commented on, and the third is an improvement package prepared by the neighborhoods.

Heron: I would hope to get some clarification from maria perhaps in terms of the different packages. I know there were a couple that floated around.

Saltzman: I know when I watched the hearings before the model was right there on the table. Could we get that back out in front? I can't see it over there.

Thi Mai: It might be helpful if christie white presented the improvement options, because she also has some handouts to, and maps to accompany that. Which were handed out at the last session, but would be helpful to have again today.

Potter: Are these three on your cover sheet here, it shows there are three improvement packages. What i'm trying to clarify from my understanding is, did -- was one prepared by the development team, the second by pdot, and the third by the neighborhoods?

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Thi Mai: The first one was written by the development team, however, it was in collaboration with the other stakeholders, and the second one is pdot's comments to the first one. And the third one, prepared by the neighborhoods, mostly addresses the 24th place street improvements.

Potter: It's safe to say those are three distinct packages, three distinct sets of interest?

Thi Mai: The second one, the comments by pdot are actually in response to the first one, and the third one is separate, is additional. So they could be considered separately --

Heron: I'll take another small pass. I think you can look at the first two together. The first was the original submitted proposal by the development team, pdot had some modest concerns primarily about how the need for pdot review of any right of way improvements, and wished to have that included as part of any consideration of those elements that you specifically approved, so that's the main editorial language that's been inserted. So I guess for our purposes i'd suggest that second item, the package with pdot comments is really sort of the working draft right now. And then finally that third element is another freestanding new piece of position that just arrived from the neighborhood with a couple of other additional proposals.

Leonard: Where exactly are the pdot comments contained?

Saltzman: The stuff in the margins, that's the pdot comments.

Leonard: I see. Gotcha. But the text that we're looking at is the proposal that was compiled as the modification of the design commission's original report in told?

Heron: Correct.

Leonard: And the neighborhood's proposal is where?

Potter: Is the very last page.

Joslin: It says 24th place neighborhood recommendations.

Leonard: Gotcha.

Potter: So there is not a single recommendation in terms of a set of recommendations coming out, there's actually at least two sets with comments from pdot on the first set. Is that correct?

Thi Mai: Correct.

Potter: So it's up to us then to sort of walk true this. Did you say there was someone here who is going to walk us true?

Thi Mai: Christie white is here to walk through the development proposals, and thin I believe there are folks from the neighborhood here also to speak to some of the improvements.

Potter: Is that acceptable to you, commissioner?

Leonard: Yes.

Potter: Ok.

Christe White: Good afternoon. My name is christe white. I understand i'll have some time here to walk you through a little bit of the history of where we've been with this project, and then into the community improvement package. Perhaps at the outset I could lend some clarity. As jeff joslin noted, the 24th place improvement package with pdot's comments, where did that come from, what is that? That is the result of a series of meetings commissioner adams had with both the neighborhood and with the development team and other stakeholders. Out of those meetings, I think it's fair to say that there was no consensus in the neighborhood that they would now approve the overall development project for this particular site, but that there was a list that emerged. Out of those meetings that was presented to us by commissioner adams and we were asked whether or not we could incorporate elements on that list into the project. We responded that we could, and we were given the charge to draft the document that further described that list. And circulate that document to bureaus such as pdot to be sure we were all on the same page and what we were asking for could actually be constructed and would be approvable that. Is what you see, and the basis of -- and the result of the discussions coming out of commissioner adams' meetings with the stakeholders, the neighborhood, and the developer.

Leonard: I'm sorry, is that pages 1 through -- is that all the pages except --

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White: 1-3, and it is 1-3 again with pdot comments. So if you just ripped off the first pages 1-3 and threw it away, that would be fine with us. And then you see the pdot comments on the next subsequent page 1-3, and that's the document that I believe is the working document. We have accepted all of pdot's comments and don't have any problem with them.

Leonard: So it's the same language, only with pdot comments.

White: Exactly so.

Potter: I understand pdot is here, and we'll make their -- and will make their own comments. How do you wish to do it? Do you want to just handle the first part?

White: That sounds great. And then one more point of clarity before I begin, the last recommendations we received yesterday, they're from hillside and nwda, but I think they'll speak for themselves about those recommendations. And I can tell you in my testimony what we think about those recommendations as it comes up. So let me -- we actually don't object to them. So let me begin. We are back before you today with a request to approve the 24th place condominium project. With some amendments, as we just discussed, that came out of several meetings. With me is jack onder, the project developer, and jeff hamilton, the project architect. Before I -- before I begin, I want to thank council and nwda and hillside and the design commission staff, and -- for an amazing amount of effort that was put into this process and participating in all these extra discussions. On february 3, the design commission unanimously approved this project. We want to get straight to these site improvement projects, but we also want and think it's important to take this opportunity to understand the rigor and quality of that process that led the design commission to determine that this project better met the design guidelines. So what I thought I would do is quickly highlight four major components of this design and then move in to the community improvement package. What you have before you and what I just passed out is a short packet, thankfully, containing a number of pages that I draw your attention to as I speak through some of these issues. The first page is what i'll address in my initial comments. The townhouses. There are two building proposals on this project. The townhouses are the first building. As you can see on page 1, that's a row of historic townhouses fronting westover at a height of 45 feet. And stepping back to a height of the 55 feet. Page 1 of your packet shows that reduced height on westover. The white overlay on page 1 shows the height allowed outright at 75 feet. And our proposal is beneath it. The townhouses are a fundamental 30 feet below the 75-foot height allowed outright on this site. The townhouses face the single family residences across westover, and together with open space along westover, cover 75% of the westover frontage. So 75% of that frontage is 30 feet below the allowed height outright at 75 feet. The townhouses are designed and finished with historic architectural typology that draws from the components of the neighborhood.

Leonard: Are you going to articulate the differences in this proposal as you're going through this from the original proposal?

White: Yes.

Leonard: Ok, great.

White: The design commission therefore found that these -- the proposed townhouse element was a superior design proposal and better met the design guidelines. Let's get to the taller tower. You can also see that this tower is articulated for you on page 1 and page 2. You can also see the taller tower in this overall you're ban context photo to your left. The building faces everett towards the commercial area of northwest 23rd. The building was realigned at the direction of the design commission to create that significant terminus at everett. Page 2 of your packet shows the everett terminus. The building, the tamer building on everett has a total width of 65 feet. It represents only 25% of the site frontage. The taller building is also set back and it was done so during design review by an average of 40 feet. The closest residence across westover from the corner of the taller building is nearly 90 feet. The taller building is narrow in its face to the neighborhood and a multiplaned facade that sets back its mass and divides its mass. Page 3 shows you this historical

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articulation. For those reasons the design commission believes the taller building better me the guidelines. I'll move quickly to open space. 41% --

Saltzman: Are we operating off the same documents?

Potter: That's what i'm wondering.

Saltzman: We're looking at shading studies.

White: Oh, gosh. No. You have the wrong one. You should have shut me up earlier. Now you can see if you go to page one --

Potter: Is there a point of order you wish to make?

[inaudible]

Potter: Continue.

White: Back to page one, you can see that white overlay is the 75-foot building. The townhouses are the 45-foot building tucked underneath the 75-foot building. Those townhouses represent together with the open space, 75% of the site frontage. Now you can see the taller buildings, the narrower taller building facing down everett, reoriented during design review to create that significant terminus at everett. If you flip to the next page, you can see the dimensions I was discussing in my testimony, the 75% of that frontage is the lower townhouse element at 45 feet, stepped back to 55, and you can see where the taller building is set back from westover by 40 feet. You can also see on this second where I was just speaking about, because of this two-building proposal, these generous set-backs and the way the site frontage on westover was dealt with, 41% of the site is left in open space. Despite the scrutiny imposed on this project from its inception, the design commission's unanimous approval was appealed. We were then asked by commissioner adams with the council's support to participate in a series of neighborhood meetings. While those meetings did not result in agreement on this project, some did acknowledge the quality of the design and a list emerged of additional community improvements. And we do have that one more request for a two-way on 24th place that was added to those improvements yesterday. Let me end by walking through those improvements. Those improvements are blown up in your packets as page 5-7. The community improvements include -- excuse me, 4-7. The community improvements include lead certification for the building. In our prior proposal, we had not proposed pursuing lead certification. We are now pursuing lead certification and will attempt to reach silver certification as we move through that process. On page 4 you can see the community improvement which is an improved westover intersection. The aerial shows you the existing intersection. There was significant and very credible testimony about the way this intersection currently operates. People believe it's deficient, people believe it's not safe, and the pedestrians can't find their way across this intersection. So what we have suggested here and has been reviewed by pdot in the right frame is a significant intersection improvement, which includes curb extensions, a new mountable island in the middle of the intersection, and scored crosswalks, simply not crossed -- painted crosswalks, but scored crosswalks that allow the pedestrian an easy pathway finding throughout the vicinity into the uptown shopping center, across to the residential neighborhood, down to northwest 23rd, and to the plaza of the proposed development. What we believe and what we've studied with our engineer and through pdot is that this will significantly positively affect the operations of that intersection both from the vehicular and pedestrian perspective. We have also proposed, and you'll see this on page 5 -- let me go back, there's one point I missed. It's probably significant. There is an existing power pole right at the corner there, at the south side of the proposed tower. We are removing that power pole, removing the above-ground line, and sinking that line underground for half a block down everett street, which will also I think significantly increase the aesthetic at that intersection. Page 5 is the green street proposal. This also came out of the stakeholders' meetings and came to us on a list of possible improvements. The green street has been designed consistent with how the city of Portland has done greet streets in other neighborhoods, particularly division was used as a model for. This you see the cross-section in the upper left corner, and basically it's an infiltration system

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to provide additional storm water management functions along 24th place. The next item is on page 6. On page 6 there were significant testimony about the appearance of that hillside, that hillside has been scraped, it's exposed, and it's not very attractive to look at. That hillside is again one of the reasons why this site can uniquely handle the additional bonus height as the city has previously decided in policy not in proposal, but in policy in your previous land use decisions. So there was a concern that this hillside doesn't look very attractive, so we came forth with a 24th place landscaping plan which as you can see, heavily landscapes the base of that hillside with species that will grow tall enough to provide some positive net aesthetic benefit to that hillside. We were also -- this plan was also commented on by the neighborhood. We originally had too many deciduous trees in here and there was a request for more evergreen trees, and those trees have been added if more evergreen trees are desired, i'm sure we can accommodate that request as well. The last one, which isn't shown in an illustration, because it's too difficult to do so, is the gateway idea. There is a gateway identified in the northwest district plan at the intersection of 23rd and burnside. It is -- contained in that plan as an unfunded project. The idea is it would be some kind of significant pedestrian or vehicular entry signal to the neighborhoods. What was requested and how we've responded is that we will donate the architectural and design services necessary should that project move forward to design that gateway, and we've also made, or have proposed to make monetary contribution to its jurisdiction if that project moves forward. The 24th place, on to the last package, the 24th place two-way request, we don't object to that neighborhood request. We have confirmed with pdot that there is sufficient right of way in 24th place to accommodate two-way with bike lanes and a sidewalk. We have understood from previous discussion and discussions as late as today with nwda that there isn't one solid opinion on that within the northwest district association neighborhood. I understand that there may be more of a solid opinion at hillside. Regardless of how that resolves, we don't object to it, there's sufficient right of way to accommodate it, and we believe that if pdot pursues that, we would be supportive of it. There is a second request that I see which is committing to a work session at some point in the near future to visit the -- revisit the underlying zoning of the area and the granting of height bonuses. We don't object to that further conversation, and would like to be a participant in discussing the concerns of the neighborhood generally. To conclude, this has been a good process and we believe an even better result. It's a quality project on a unique site, it's responsible you're ban infill, it's a gateway to the burnside corridor, it's a project that followed the highest standards of public involvement. We opened ourselves up to the high discretion and high standards of the design commission, exercising that discretion, they approved this project, found that it better met design guidelines without exception. We are asking now the city council to endorse that process and the result by accepting that decision with these additional community improvements. Specifically on your matrix we're requesting that you deny the appeal of the nwda, accept the design commission approval as modified by the community improvement package. On your decision matrix that's 3-a or 3-b. If you -- we are therefore requesting a vote on the modified proposality today and either adoption of findings today or return with findings to support the decision next week.

Potter: Any questions?

Saltzman: I guess i'd like to ask questions of the architect, and maybe paul schlessinger afterwards. The 15 or so principles that were agreed upon in the last iteration that led to the present design, I guess i'd like to hear discussion on two of them. One, that it be an exceptional design in parentheses, icon, is anticipated given the exceptions requested in the inherent defining visibility of the site. I guess I don't understand that last phrase. More to the point, what makes this an exceptional design?

White: I'm going to let you answer that, but I would say just to begin that these words icon, significant, exceptional, popped up all through this process. They're not in the design guidelines, and they're not in the code criteria, and they weren't part of the bonus height award. But we began

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to own them and believe that based on the interest level in this property, that we should have an exceptional project here. The way the design commission defined exceptional was a major move on this project to realign a narrow terminus building at everett and make it a significant and exceptional terminus to everett, and i'll let jeff talk about the rest.

Saltzman: The other one I had a question about was about providing a fitting and expressive rooftop. Maybe you can comment on both of those. Then i'd like to ask paul to -- or jeff or both to come up.

Potter: Before they do that, i'd like to have pdot comment on theirs, because that's the order that it happened.

Saltzman: Oh, ok.

Potter: Thank you.

Jeff Hamilton: My name is jeff hamilton. I have a couple points to make about the exceptional design, and I think one would be to refer to page one in your document as well as the front cover page. In the past we've presented the project focused in, like you're just look very close at the building, and that was done in order for people to get a sense about the decks and the windows and the forms and shapes of the building. But we feel it's been probably our problem of not showing the overall context of the building, so we came up with this photograph showing how it sits in context of the neighborhood, and we feel that it shows it in scale and helps to identify the fact that it does create that gateway coming and going up burnside through the hillside, and back into the city as well. The other thing that the point was made about the site planning, one thing that Portland has found now in vancouver and other cities have found by changing the f.a.r. Proportions, how you build on the site, by leaving this extra 41% as usable space as opposed to what is shown on page 1, where you could build out the entire site to the property line, you're giving back a lot to the people that live there as opposed to well as the neighbors that live around the building. I think the other thing is materials. We've gone to a long process here of studying materials in a design process with the design commission as well as the neighborhood in terms of finding the highest qualities of stone, windows, brick, and composing them in a way that speaks to the neighborhood and the history with the townhouses. We've gone around the neighborhood, looked at bay windows, entries, retail, and things that really contribute and build off from the neighborhood context. The one that christie mentioned is another strong one, the terminus to everett. We've gone to great lengths to -- in the page three I believe it is, show how the building is broken down in a historic way, not in a modern glass-front. So we've taken examples from history and used it because it is across the street from an historic neighborhood. The fitting rooftop, we studied that over several different forms, but by stepping it in and taking heights from the apartments above and looking out, we've created a rooftop that minimizes mechanical into one small building and keeps a very clean white roof which contributes to the one point we get for that roof in the lead process. So it's very clean and by going to allegations at the top, it tends to dematerialize it, makes it go away a little bit. You get the solid mass of the brick and it tends to reflect the sky and fall away. Look shorter.

Thank you.

Potter: Other questions? Thank you. Call up pdot staff, please.

Kurt Krueger, Office of Transportation: Kurt krueger, office of transportation.

Potter: Just to confirm, your comments are the ones that have the highlights and -- the second page of -- one, two, and three pages of the second set. Correct?

Krueger: Correct.

Potter: Ok. Go right ahead.

Krueger: Just like to reiterate that we agree in concept in the -- and have provided a cursory review of the proposed street improvements on the original package that was submitted. And we look forward to working with the applicant, and the applicant's engineer on the design, the construction, and working out long-term maintenance on the special features that they're looking for to providing

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the neighborhood here at this location. What i'd like to comment on is the 24th place proposed changes. Those items came across pdot staff desk yesterday afternoon, i'm sorry we just haven't had enough time to adequately digest what was proposed. We've done some initial review of right of way width and we think the concept could fly from a purely technical, could we fit it in, yes, is it the right thing to do for the neighborhood, and is there enough information for review for traffic operations and intersection capacity. We don't know at this time.

Potter: So did you -- did pdot approve of the first design that the commission, the design commission approved?

Krueger: Prior to the conditions that are --

Potter: Yes.

Krueger: Correct, yes.

Potter: But on this you're saying that you don't -- you haven't had enough time to look at it, is that correct? Or is there something here you're concerned about?

Krueger: The package that was sent out three weeks ago that was prepared by the developers in conjunction with the neighborhoods, we're in agreement in concept with what's proposed. The 24th place neighborhood recommendation that came out yesterday, we have not had adequate time to digest and understand exactly what's proposed, and the impacts to the neighborhood with those proposed changes. We would anticipate to know if this is going to work that we would work with the applicant, we would assume the applicant would be directed to participate in the traffic study and look at the impacts to the surrounding neighborhood intersections with this proposed alignment.

Saltzman: So you know there's enough right of way, but you don't know whether making it a two-way street is a good idea.

Krueger: I did a very little bit of research in the time I had. There's been an extensive apartment of work in this neighborhood. With surrounding neighborhoods and the impacts of 24th place, 23rd place, westover, it's a can of worms that would be opened back up to look at changing this, and we feel there would be adequate traffic analysis needed to go out and do adequate neighborhood involvement to determine if this is acceptable change to the neighborhood.

Potter: What would you recommend to the council?

Krueger: I had a feeling that question might come up. I think we've got two separate issues. I think what's been prepared by the applicant and the recommended improvements, the curb extensions, the green street concepts are something we can work on immediately. I think the 24th place change from a one-way street to a two-way street is a larger issue. I think it should be separated from this development package, and if so directed by council, to work with the applicant and the applicant's traffic engineer to work on if this is a viable alternative. But I think these are probably two separate issues. And I think there's an extensive amount of neighborhood involvement that would need to occur that's not directly related to this project.

Potter: Any further questions? Thank you. Should we -- did you want to talk to the design commission? I want to hear the neighborhood's statement on this.

Saltzman: I'd like to have jeff and paul come up and respond. To the same questions I asked design commission, thinking about this proposed design meeting the exceptional design principle, and the -- providing the fitting and expressive rooftop principle.

Joslin: I would like to do it just sort of a brief introduction to where the principles themselves came from. Since there was substantial testimony on that that you were not present for. Simply put, in addition to the typical hearings process, there was an additional sidebar process, if you will, subcommittee that was created by the design commission to work outside of the hearings process on the evolution of the design of the project. That resulted in two different meetings. The first meeting focused on the development of these principles that we guide the remainder of the process, and those principles received consensual blessing from all those that participated. Then the next

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step was beginning to work on a design that attempted to respond to those principles. So that's where they came from. That first principle that spoke to the special qualities of building design was an attempt to start to narrow down a discussion that had been hovering around this project as there was -- there were a lot of -- there was a lot of different terminology thrown about in terms of the sorority of broadest loftiest expectation of this project, signature, exceptional, extraordinary, etc. So there was an attempt in this process to specifically define what that was. In my view, the result of that sort of the terminology aside that is embodied in the specific proposal was that this was not necessarily a place where a -- an extremely sort of singular potent design response would be most fitting, but rather something that was more sorority of -- sort of environmentally responsive, that sat against the hillside in a particular way that reflected some of the neighborhood characteristics and qualities. That was -- that became in my view, the sort of working definition of what an exceptional design would be in this particular place, in this particular site. I think that jeff hamilton spoke pretty well about some of those elements, really the only one I would add is the way in which the building steps up as it moves both back from the street and then again at the top of the building. I think it's particularly understandable in terms of its overall contribution when you look at that larger view and see it both reflecting some of the forms of the hills behind as well as reflecting some of the other sort of architectural attributes of the other taller buildings on the far side of burnside that serves as the second gateway element to --

Leonard: Meaning the south side?

Joslin: Correct.

Saltzman: Did you want to comment on the fitting and expressive roof also?

Joslin: That last comment was intended --

Saltzman: Ok. Ok.

That one sort of additive aspect that I think jeff didn't quite touch on.

Saltzman: Ok. Thanks. Paul, did you want to add anything?

Paul Schlesinger, Planning Commission: Paul schlesinger, planning commission and liaison from the planning commission to design review commission. Was part of all of the meetings including the two subcommittee meetings held where the 15 points come from of which your question is specific to, and would reiterate what jeff joslin, jeff hamilton, and christe white spoke of prior to that these 15 points were agreeable by all parties in the first meeting, and was a key component to both the first meeting and the second meeting, and also used at the design review commission at its final hearing where it unanimously approved the design that you see in front of you. The other items that I would add, council member Saltzman, to your question, is again, the project through the bureau's report did meet the guidelines both in code and can be taken, though debatable, on design, would correlate to the 15 added guidelines put together and approved by all parties at the two working sessions. Words like icon, signature, and other, I think the design team, the development team did work on that, and did provide answers to the subcommittee and to the staff and to the design review commission to come up with a design that met all guidelines putting forth. Signature icon, things like that, can be debated for as long as we all would like. What I might consider an icon or a signature building might be totally different from somebody else's point of view. I think the key point and the key point for what's in front of you hopefully today is that the design review commission has approved this, has looked at it through the guidelines, and through the process very exhaustive, very public. And has approved the design coming forth. Specifically to the rooftop is a key point because that is specifically a guideline that we as a commission do look at, and have really amplified uncustomer this -- under this project and a lot of other projects lately that have come before us of making sure that rooftops are designed and designed appropriately for the project and also for the surrounding neighborhood. And again, would have to concur with the design team on their design of the rooftop. Hopefully that answers your question from the commission point of view.

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Saltzman: Ok. So I guess -- it sounds to me, and this was again from reviewing the previous meetings, the definition of an icon, I believe the applicant is suggesting, and the design commission is suggesting, icon means more of a fitting in with the neighborhood using the right materials, and not, you know, all due respect to jeff hamilton, not a frank geare design that's going to attract tourists from all over the world, things like that. Which is kind of perspective I sensed some of the neighborhood were saying I thought they thought icon meant.

Joslin: That was a determination not necessarily broadly, but for this specific site and setting, yeah.

Schlesinger: I would agree also.

Saltzman: Thank you.

Potter: Anything else? Thank you. I'd like to hear from -- on the second improvement package from the hillside and nwda neighborhood representatives, please.

John Bradley: I'm not sure whether there's someone here at hillside at this time. My name is john bradley, I reside at 2350 northwest john southern. I'm here today to speak on behalf of the nwda board, and its planning committee. The nwda requests that you affirm your previous vote to support our appeal and send the uptown tower back to the architects and the design commission. In brief, and from the code, the current iteration of the tower and then these are all words out of the codes and the design guidelines, we feel that this does not conserve and enhance the special recognized design value of the area as an infill development, it is not compatible with the neighborhood. This was supposed to be an icon building. It is not. And thus does not meet the high quality design asked for by the code and the special design guidelines put in place on this building by the design commission. With all due respect, I think we heard some revisionist history just a few minutes ago.

This is now been referred by the design commission in public testimony as a fabric building. It does not integrate well into the local you're ban design character, it does not preserve the character of the historic district which it looms over, it takes away from our architectural integrity, and steaks a pearl district enclave on one of the most visible parcels of land in the nwda, and lastly, the approval of bonus height is not consistent with the stated purpose of the code, which in part deals with building coherency and compatibility. The new items brought to the table here today deal mostly with pedestrian enhancements, and do not mitigate for height, massing, or style of the building which were the grounds for our appeal. We did not appeal on the fact that it wasn't a good pedestrian environment. Commissioner leonard, you asked the neighborhood to not use the council's previous vote as a tool to hold up development, but to really encourage some compromise.

We took this to heart, but unfortunately we're not -- were not given the opportunity to compromise. Not one inch of decreased height was offered to us, nor was another style building other than a tower ever presented. Commissioner Saltzman, I know that this building now has a minor lead rating, and that your leadership in these environmental matters will make this a selling point for you. But I ask you to look at the lead score chart and see that many of the lead points come from where the building is being built, not the style of the building being built. It is in a heavily transitted transit district, it's got a lot of support, and that's where a lot of lead points come from. Our overall neighborhood environment will be degraded by this building. If commissioner adams was here, I would like to thank him for his attempt at coming up with some midway point, but that did not work. If commissioner Sten were here I would tell him he was right from the beginning, so have a doubling of the base zone, awarded by a set of criteria is a bad idea. And this is I think all the testimony here today is going to prove that it's a bad idea to go from 75 feet to 150 feet. And you as you look around the environment, 75 feet is already above the height of the majority of buildings in and around the northwest neighborhood. While this process has been exhaustive and it has been important, and in my opinion has been well done, the product is very, very important. And we don't have that product yet. I guess the last thing I would like to say, it's not been brought up, is money. Money option filters in to all of these things somewhere. You know, about a block and a

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half away from this building martyr keyhoe would be putting up a series of town homes at the five-story level. He paid a lot for the lot, \$3.35 million, according to the paper, and will be selling those for upwards of \$1,000 a square foot. I think there's plenty of profit here to be had by the developer at a much lower height. I'd also like to mention that you're presented here with some drawings that show what the building could look like. I don't think just showing an ugly building and saying, look, we could do that, if we wanted to, is sufficient mitigation or sufficient grounds to award this additional 75-foot bonus height. Thank you very much. I encourage you all to support our appeal.

Don Genasci: Donald genasci. I live on northwest johnson street. I'm testifying on behalf of the nwda. And the planning committee of which i'm a member. I'm an architect and private practice. I teach architecture and you're ban design for the university of Oregon Portland program. It is necessary to give further testimony today because of what I think is the unresponsiveness in any meaningful way of the developer for this project. This is the same building you saw the last time we were here. There are no significant changes. There is no response. The developer's strategy and early meetings has been essentially to ignore the neighborhood's concerns about a maximum height tower on the edge of what is a very precious historic district. However, the title 33 planning code mandate significant reduction in the height at the edge of the zones especially adjacent to an historic district. I agree with paul, let us turn to the planning code, title 33 states, approval of the bonus height must be consistent with limiting shadows on residential neighborhoods, ensuring building height compatibility, and this word "compatibility" is crucial, step-downs to historic districts, and I think that step-downs really means meaningful step-downs. Not 40% of the building on the street. And I will explain why I would stick with my original number and not accept the number that's been given to you this afternoon. The current proposal for the uptown site does not fulfill any of the criteria for approving a bonus height as set out in title 33 or the central city design guidelines. The shadows calculated april to september engulf historic houses across the street. And over a significant portion of the day. The proposed 150-foot height does not constitute compatibility with the 30-foot height of the historical houses across the street, or even those on flanders street with its historic register homes. This building can be seen from a great distance, not just simply from across the street. While there is a partial step-down provided by the five-story westover portion of the building, more than 40% of the westover frontage is 120-foot wall of building directly a88 sent to the street and the historic houses. The sometimes 40-foot set-back will not really have much mitigation to that figure. The very clear trade-off giving discretionary housing bonus for this project is a maximumization of developer profit versus the irreplaceable quality of our historic district. A healthy city is dynamic, always changing, and is recognized by the quality and compatibility of its downtown and its neighborhoods. Including how they are augmented and enhanced by development. We view responsible development as a positive force, the potential -- that potentially enhances our neighborhood. However, to allow a radical change in scale and height directly adjacent to historic homes is not responsible, nor is it compatible. It is a blight on the diminution -- and a diminution on the quality of our city. A compatible scheme for this site would not be a tower, but use the site more efficiently and require no housing bonus or at most, one of 15 or 20 feet. We have done some research and we can fit without having to look like that, we can fit a block on this site which has a variety of heights and which essentially does not go over the housing -- the -- the level that you actually have by right. Throughout this process, the developer has been unwilling to consider a type of building more usual in Portland and one that would be compatible with adjacent historic buildings. During this process, we have been shown pictures of the crafts and intervention of tower blocks and housing eras from Portland, to chicago, to new york. Presumably these pictures are offered as positive examples. However, a closer examination of these towers and juxtaposition to and sometimes marvelous historic existing neighborhoods shows them to be impositions that diminish adjacent neighborhoods. As john has

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already said, just up the street from 24th place is another proposed development which will not exceed five floors. And yet will have prices per square foot which is hard to believe. The developer of this project does not need the housing bonus to succeed. Why is the housing bonus being offered here? We would ask that you don't allow conditions that enable this developer to diminish our historic neighborhood. This building can be built at no or a minimal height bonus, removing or limiting the height bonus will ensure a more responsible building. One with significantly greater compatibility to our historic neighborhood. We would hope that you would support our appeal. Of all, we're going to have to live with this building should it get built.

Gary Berger: Gary Berger, 2753 northwest montavista. I'm the vice-president of the hillside neighborhood association. I'd like to make three quick points with you this afternoon. The first point is that I hope you listen carefully to what the neighborhood association is having to say to you this afternoon. What we've been saying throughout this multiyear process. We -- there are two of us represented here today. We have tried to provide consistent, clear, and informed positions on this building. We do not believe it is consistent with our neighborhood, and we believe it is detrimental to our neighborhood. We do not need sky scrapers in our historic district. The second point would I like to make, we live in a I have desirable area. It's doing quite well on its own, thank you very much. It is comprised of remodeled residences, renovated retail, the storefronts are doing quite well, people enjoy this neighborhood, it's highly desired, people come there not only to live, but to play. Having a sky scraper in the midst of that environment certainly affects it and makes it less desirable not only to those of us who live there, but to those who want to come and enjoy the area as well. The third point that I would like to make is that we are not antidevelopment, as my fellow neighbors here have mentioned, we're not against developing this site. There's no one here with a "save the parking lot" sign. We're trying to encourage you to develop it in the appropriate manner, one that is consistent with the neighborhood. We are business people, we do understand the benefits of improvement, and we want to encourage that to occur. But we want that development to be consistent with the charm and the character of the neighborhood, we don't want to see our living space decent graded by this skyscraper. So again, I ask you to consider multistory buildings, there are many done in the neighborhood and they're done well, and they're done profitably, they don't need to be skyscrapers, and they shouldn't be. Thank you.

Potter: Thank you. Do we have people signed up to testify?

Moore: Yes, we do. Come up three at a time.

Potter: Thank you for being here, folks. When you testify, please state your name, and you each have three minutes. Thank you.

Pamela McCarroll Thies: My name is Pamela, I live at 830 northwest powhatan terrace. I've been a resident of northwest Portland for 30 years now. And what strikes me about this meeting is that my memory of the March 23 meeting was that the defining moment was the height of this tower, that was the sort of epicenter, if you will, of the concerns that the neighbors had. To my knowledge, there has been no resident from northwest Portland that is not connected to the financial gain of this project that has testified on behalf of it. The votes have -- the testimony as I've heard it through many, many different meetings have been negative to this tower. And again, as my fellow neighbor said, it's not -- it's the height that we are worried about. None of these impact statements or changes were directed to the height of this building, that concerns me. It's like this meeting where everybody was so very concerned, that they weren't hurt. That's how I feel. -- they weren't heard. I think that once you change the character of this neighborhood, once you start at allowing -- this won't be the only tower. If this tower is allowed, it will set precedent for future towers. And I'm concerned with Portland being its own particular jewel of independent neighborhoods that we will lose the character of these independent neighborhoods. There was great discussion at the March 23 meeting that the beauty of Portland is the composition of these various unique neighborhoods, northwest Portland being one of them. Once we start building towers, once the sun

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is gone, once the view is gone, once the mountains, no one can see, we have lost Portland. Thank you.

Leland Stapleton: Leland stapleton, I live at 2445 northwest westover, unit 204. I live in one of the lower level condos on westover way, so it's only essentially four living floors. But I -- i've also been involved in this process, and I think you've seen my name throughout this process, and I felt it was -- i'm on the neighborhood board, but i'm not representing the neighborhood association. But I felt it was important to become involved in this process. One of the things that's real important through this process, and with the housing bonus, is that there was a burden of proof. That burden of proof was on the developer in this particular situation to prove that they were justified. And it's my conclusion that they have not proven that any justification. Throughout the process it almost seemed like the burden of proof changed. Because the design commission involvement and later on the council's efforts in commissioner adams' efforts to mitigate this by saying, oh, all of a sudden the developer doesn't have to prove it anymore. They have essentially got the height bonus and now it's up to the neighborhood association and interested neighbors to say that they don't need it or it isn't justified. The burden of proof has not changed. I do not believe they have met it. We talked a little bit about icon building. And the criteria for icon building. And I think the design commission has already mischaracterizing what they stated before during the various sessions. The icon building was a frank geary type building if that was appropriate on this site and wouldn't impact the neighborhood in any meaningful way. So we wanted something better than the so-called pearl district that's been bantered about, the usual building or the look of the building, whether it's centered or everett or any other location, we wanted something special. Whether or not that certain building would justify the height, this one does not n. My opinion. The other thing I think we should do, you should allow all the appeal, you should send it back and let them start over again. I've said it before, when i've testified, I believe that you should send it back and ask for a master plan on this entire triangle between burnside and westover. It's not going to be the last building, it's not going to be the last tall building. A long time ago the neighborhood association suggested without any formal comment or even people in the neighborhood, if they had put this same building of 150 feet at the south end of the site on burnside, it may have been compatible with the whole location. They didn't choose that site to develop first, they chose a more difficult to build site, and now they're trying to get what they probably could have gotten rather easily at the south end of the site. With a master plan also would you have been able to deal with the pedestrian access through the entire site, including the same issues of handicap accessibility. It is not accessible in a meaningful way for pedestrians on that steep site. Thank you very much.

Chris Knotz, GHNA: My name is chris knotz, I live at 233 south -- which is the envoy. I'm here to support really what everyone else has said. But I was also -- one of the things I noticed, which was surprising to me, is that it seems that the bonus height in findings for e, which is on page 22 of this document, I don't -- I think you have lots of them, but it basically talks about the envoy as a rationale for allowing this to be built, and I think that's kind of surprising to me, because the envoy is eight stories this, is 14. The envoy sits up on the hillside so technically it's really only four stories, because the fifth story starts at cam tuesday -- cactus. And the other thing I think is surprising, no one in the envoy was notified this was happening. So I moved to Portland in january, and I was never given any information that this was going to occur, and I think that's kind of interesting. That's all I have to say. Thanks.

Potter: Thank you. Thank you for being here, folks. Please state your name, and you each have three minutes.

Nate Hoffman: My name is nate hoffman, 2336 sw osage. I actually have a drawing here, can I pass this up to you. I think everything if you like a magician, and I do too, slight of hand. It all depends on angles. The picture have you over here certainly shows a building from a downtown vantage looking up. Looks completely different when you look at it from the side. So first of all I

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want to say i'm very pro business. And i'm pro development. I have developed many buildings myself, so I really would like to see this site developed properly. My problem is the bonus height. I think it was given by accident. I don't think it was well thought out. It doesn't fit. The design elements aren't right, of course whether or not it's ugly or attractive is really up to the individual. I would probably side on the first part of that statement. But I don't think that putting a terminal tower at the top of everett makes a whole lot of sense. I guess, I don't know if you are familiar with boston, i'm originally from the east coast. Had you an elevated freeway that divided the city from the financial district to the north end. What happened is the financial district continued to grow up, and it became I guess an icon place. But you also create add beautiful neighborhood, much like the northwest neighborhood has. All the streets are named of a founding fathers because they developed this town, and they built beautiful homes. We like to see that continue. When -- they're tearing down that freeway now in boston, they're burying it, it's a big dig. What's going to happen to that beautiful italian neighborhood? Guess what? Portland is very similar. You have the 405. It's a natural barrier between the warehouse district and northwest. You took an undeveloped area with a bunch of ugly warehouse and turned it into a great high-density residential neighborhood. I applaud you. Fabulous. But that's not northwest. So please keep it below -- keep it. East of the 405 I guess what i'm saying. Also, I spent a tremendous amount of money in remodeling my unit at the envoy. I'm within 1,000 feet when I enter into the contract last july, I was not made aware of this. Did the developer have a right to notify me? Probably. But we all closed in january, and we still weren't part of these meetings or received it. So if you guys -- I think you should start over and renotify everyone so everyone knows what's going on there have been a lot of people that have purchased in this process. So I guess what I would say is, this building really doesn't deserve the height requirement it's getting. The drawing I gave you, the red section takes you to the 75th -- the 70-foot height level. The green is the bonus. That's the green light to change everything. Just scan down that picture. Take a look. See how much it fits. I think you're putting big pink, which stand out all by itself from all the other downtown buildings, and you're putting it in northwest. It might not be pink, the envoy is, which we couldn't change, but it really sticks out that bad. So please keep those types of buildings downtown. Please retract the height bonus. It really -- I don't think it's appropriate here. Once you continue with that, it will actually spread across the street, it will spread to all the areas that have the same zoning, and I think it's great that the brewery blocks east have those size buildings. It makes them a unique neighborhood. It doesn't have to be like cancer and spread. That's it. Thank you.

Bill Hatch: Good afternoon, mayor, commissioners. Bill hatch, I own a structure at 2356 northwest westover. The one that's about 90 feet from the proposed corner of the tower. I wish to express my support for the neighborhood opinion on this project. Also as a note of interest, about 10 or 12 years ago the street in front of my structure lost about six parking spaces due to curb extensions. And I realize they were for safety purposes. Now I see there's another three spaces going to be lost to this proposed change. So my tenants and the neighborhood is slowly losing their parking places on the streets. My structure happens to be 106 years old. Back then you didn't worry too much about parking spaces. This is -- i'm going to keep it short, so I just want you to take this into consideration also. Thank you.

Potter: Thank you.

Rosemary Devaney: I'm rosemary devaney, I live at 712 southwest st. Claire avenue. And i've been following this in the newspaper, but this is my first meeting and I was -- became aware of this meeting today when I was out walking in that area on everett and 24th. I walk there almost daily and I also shop at the uptown shopping center. And I saw some flyers that somebody was kind enough to put on the corner there at 24th and everett. And so I passed a lot of those flyers out and I called people when I got back home and so that's how I made it here today. I'm very fond of the area, and I would like to see the gentleman here mentioned the proof. And I would like to see echo

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roofs on the building. If that's something they would consider. I think that would really be nice. And I am very interested in what landscaping there would be, and rhyme hoping that a moratorium will be declared on bark dust. It seems to be everywhere, and I feel it's not environmentally friendly to wildlife, in particular. And i'm hoping -- I agree with this gentlemen that was sitting next to me, that maybe everyone should be renotified so that more people can give you their input. Thank you very much.

Potter: Thank you. Thank you for being here, folks. When you speak, please state your name and you each have three minutes.

Sharon Genasci: My name is sharon genasci. I live at 2217 northwest johnson street. I'm very much opposed to the building proposed for northwest 24th place. My husband and I chose to live in northwest Portland, largely because of its mixed income historic character. The neighborhood features lovely historic Portland homes and apartments as well as very modest homes and low-income housing. This essential mix gives the neighborhood a true and city feeling. We are particularly outraged that the housing bonuses which are designed for a range of income families, including those with modest incomes, is being offered here to a project that does not include low-income housing. And in fact it's being built as market rate housing. It will be housing that is to be bought and sold on speculation. There is no feeling here for families of low-income residents, families or low-income residents or real homes for people. This is not a project for our neighborhood. The arrogance of bringing this scheme, the original tower, back to all of us for another look after neighborhood testimony without any changes to the building is a good example of this builder's unsuitability to build in our neighborhood. Please do not allow this project to go forward.

Laurie Holland: My name is laurie holland, I reside at 2360 northwest westover road, Portland. Mayor Potter, members of the council, I have been attending these meetings on the tower for over 19 months, and in my recollection, in all that time, there's not been one person who has spoke up in favor of this development that did not stand to gain from it financially. So I urge you to listen to the public. I think that the public is being seriously misled by the developers. I think that they are misleading us by diverting our attention away from the fundamental reasons the council reversed the design commission's decision of the project. The form is too massive, the tower is too tall, and it does not step down to our historic alphabet district across the street with our low-rise residential buildings. They're diverting our attention away to their -- what they call neighborhood improvement package. Neighborhood improvement package. So on one hand we have the fact that they're attempting to install this massive structure in too small of a site, by offering us a neighborhood improvement package in the form of \$20,000 towards a gate on public right of way. Their attempt to pursue lead certification, to me it's smoke and mirrors. They're not addressing the issues that we have brought up for all these months. I believe that their heart is not in the right place. It does not fit into our historic neighborhood. If they really cared about the environment or the lead certification, would it have been in their proposal from the get-go. This does not address the housing needing of our neighborhood. We don't need more million dollar condominiums. I understand that that's not something that the developer -- that you need to be concerned about, but they are asking for financial incentives, huge financial incentives in the form of housing height bonus. This will forever alter the landscape of northwest Portland. And I urge you to please support the appeal, send it back to the design commissioners. I know they're probably sick of it, they're volunteers, but I urge you to support our appeal. Thank you very much.

Potter: Thank you.

Bill Welch: Hello. Thank you for hearing us. My name is bill welch. I live at 2705 northwest petty grove. I've been on the planning committee for northwest district association since 1978. I moved in the neighborhood in 1975, and worked actively at the thurman vaughn corridor redevelopment process. Been involved in a lot of traffic issues that are being presented here, and I

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just do want to present quickly the fact that the objection we've had in the past over a two-way street on 24th was that commuters come down burnside, come across 24th and go up westover and come down 25th on their way to the guiles street industrial district, and esco. It is just as it stands right now, a lot of commuters are not willing to go through the parking lot and sneak through. You can do it, but most people are forced down to 23rd or to 21st, and then they commute across or even go down to the freeway. That i'm sure is one of our major objections to the idea of opening up a two-way on 24th. But that's not why i'm here. I'm here because I keep seeing drawings from the applicants that show the buildings from about 50 to 100 feet up. Or in this case 300 feet up. I'd like you to see what it looks like at this point. These are photographs taken with a 35-millimeter camera the other day. From street level this one is from flanders, westover, looking southeast.

Saltzman: Can you hold those up?

Welch: This is what the tower will look like overlaid on that from ground level. I don't have the skills to do power point presentation. This one is everett and westover. The problem with this building is, I mean, I appreciate that they've tried to minimize its impact from coming up to everett, but the building isn't like most buildings we experience, it broadens as it goes back. So it's much wider. That's why it looks just massive here, and looks relatively narrow here. With just a little -- it happens this line is about right where the curb is, and that whole side here is not visible from everett, but it is visible as you come down westover. Significantly visible. This is a view from basically right where the westover turns and jogs and goes down to 23rd. This is I think -- I don't shop here but there's an urban outfitters, and -- clay trade. This is what the building will look like from -- the building will look like from that point of view. Ground level, not bird's eye view, not 50, 60 feet in the air.

Potter: Sir, you're going to have to wrap it up.

Welch: It's just my contention that it -- the height doesn't fit, isn't appropriate for this site, and i'm afraid that the bonuses were offered because -- to incent residences in downtown Portland in the 1970's and 1980's, and as the central city plan was extended up burnside for various funding reasons, this came along I think unnoticed by your staff, was noticed by our neighborhood when we were revising the plan. We asked them about it, they said oh, don't worry, design review will take care of any incompatibility with that. They haven't.

Potter: Thank you.

Welch: I urge you to support our appeal.

Randy Weisberg, Board member, Hillside Neighborhood Association: Good afternoon, I'm Randy Weisberg I'm a board member of the hillside neighborhood association.

Potter: Would you turn the microphone toward you sir.

Weisberg: Okay, and I don't want to waste time repeating things that have already been said I arrived late so I'm not sure exactly what was covered. I just want to make a couple of really brief points. The reason why I think were here is because I don't think the design commission.....i think what they attempted to do is to make a 15 story building look good. I don't think they fully say their role as whether or not the discretionary bonuses were appropriate in this particular location. And I think that's an underlying problem with the whole process that we have seen here and I think that's something that should be reviewed at a later date and that was one of the mitigation measure that we suggested, that council at some point in the future revisit the idea of the discretionary bonuses and providing some sort of legal standards that the, that would be followed and whether or not they should be granted and how appropriate they would be, given the density of existing neighborhoods. This is the most densely populated area in the state of Oregon. And you have the convergence of several arterial streets right at this location, burnside, westover, , 23rd avenue, everett. And we believe it was inappropriate in this circumstance to grant the full discretionary bonuses that were given to this project because of the congestion and other density problems it presents. We are not opposed to density and infill in the city in general but in this particular

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location it was a bad policy decision, we believe, and I am not blaming the design commission for that. I don't think they were given proper legal standards to follow in reaching that decision. The only other points that I would like to add is that we believe an appropriate mitigation measure, if the council is inclined to approve the project substantially as proposed, that the council commit to a widening of 24th place between burnside and westover unless the department of transportation can come forward with a documentation or a study that shows that it would aggravate rather than improve the congestion in that area. I don't want to see that possibility slip through the cracks. If the building is approved. I want it to be a condition of going forward and put the burden on the department of transportation to change that if necessary in the future. That's one of the mitigation measures we suggested. I don't want to dispute with ndwa as whether or not that's, whether they want it. They earlier told us they were not opposed to that. I don't know if they changed their position but that's something hillside would really like to see because of the congestion that would inevitably follow a development of this scale which we think is inappropriate. Thank you.

Potter: Thank you. Is that all the people that signed up to testify?

Moore: It is.

Potter: Time for council discussion. Any thoughts, folks?

Leonard: This is always -- this is never fun. But I think we have had a process that's improved the design since the last meeting of the council. And there I will move to approve the decision the design commission as modified by the neighborhood divisions within the 24th place improvement package.

Linly Rees, Deputy City Attorney: May I presume that's a motion for a tentative decision?

Leonard: That's correct. 3a. as I understand it as it's been explained.

Saltzman: Second that.

Potter: Let me just understand what it is that we are doing now.

Leonard: Ok.

Potter: So we are

Leonard: My understanding is, and staff, correct me if I am wrong. I've been able to divide our handout into its logical sections. And I am encapsulating the result of the negotiations that occurred that are reflected in the 24th place improvement package that we have been discussing, as a modification to the initial design review commission's recommendations.

Potter: And that includes -- does that also include comments from pdot?

Leonard: It does.

Saltzman: Yeah.

Leonard: Yes.

Potter: Including that comment that they didn't have sufficient time to look at the street?

Leonard: I did not include the 24th place neighborhood recommendations. What I heard was that needed to be a separate issue dealt with. Which I intend to follow up.

Potter: Ok. And any seconds?

Saltzman: So you're not including the notion of the two-way on 24th?

Leonard: I am not --

Saltzman: Subject to study?

Leonard: I thought pdot said that should be contained within a separate vehicle. Did I get that right?

Potter: Could you come up?

Kurt Krueger: Good afternoon again. Commissioner Leonard, I think you are correct. We would agree in concept with the initial recommendation package that was submitted. The 24th place two-way, one-way discussion I think should occur in another forum. Give us time to work on that if council so chooses to work on that.

Leonard: But that doesn't need to be part of the package to approve?

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Krueger: Correct.

Leonard: The development that is a separate, broader issue that deals with the area?

Krueger: Correct.

Jeff Joslin: And based on what you heard from - -

Leonard: And so would I follow up -- could that be a direction from the council? Or does that need to be a motion? What do we need to accomplish the hillside and nwda recommendations?

Joslin: That would not need any kind of subsequent or future review. So you could give council -- you could give pdot direction at this time or the other time if you so desire.

Leonard: To work on the recommendations and come back with a set of proposed regulations, potentially?

Joslin: That would be in effect outside of this process.

Leonard: That was my understanding.

Saltzman: Second.

Potter: Seconded. Karla, call the vote.

Leonard: Again, this is the least pleasant part of the job for me. And I have had my share of alienating both sides, developers and neighborhoods so you never come out of these feeling entirely like everybody is happy. But I do think we have developed a better project than what initially was proposed, that I do think encapsulates what Portland is. I think we do have a better design and it is going to be more sensitive to the neighborhood. And I am sorry its drug out this long but it was important I think, to find a balance and I feel comfortable that we did. Aye.

Saltzman: Well, I think that as someone who has supported the original changes to the northwest district plan and to the central city plan that actually where the subject property is located where we allowed 75-foot height bonus, that the applicant I think has met the test, that this does, this project is warranted, the height bonus, and for the fifteen principles that were articulated as well as the design commission standards, perhaps the only two I do have exception, concerns about are the exceptional design but I see there's two very different schools of thought in what that means in the context of this particular project and these discussions. And then the fitting in an expressive rooftop. I think that ultimately the discussion about the light and the materials of the rooftop and the way it will blend in and reflect off the hillsides pusuades me, the perhaps it does meet the fitting and expressive rooftop principle. This project, this is the third, fourth design of this project. And it's been done in a full, open, public process over the last 19 months. And unanimous approval of the design commission leads me to support this project. And I believe that it is, you know, I will defer to their expertise in this and to the process that led to this final and approved design. And I think to say that it probably didn't deal with the height concern that the northwest neighbors but I certainly think with respect to style and massing, it's far preferable to what could be developed on that site with a simple 75-foot-high height limit. I think we would be looking at a much more inelegant design, much more of a battleship, so to speak, we have seen too many of. And I think this is a superior design and meets all the criteria. So I vote aye.

Potter: This has been an interesting experience. I have listened to all the sides and, you know, it's a difficult decision. But I haven't changed my mind since the last time. Is that I think that the -- I support the work of the design commission and that I think that it will fit into the neighborhood. And into the area that it's at and that we will -- I certainly think we should look at the issues that the neighborhood has raised, but I think under the circumstances that I support this decision. I vote aye. [gavel pounded]

Leonard: Do we need to do -- I would like to formalize the directive from the council that pdot begin to undertake the analysis of the hillside and nwda recommendations. How best would you like us to do that?

Joslin: Any form you desire.

Leonard: The consensus amongst us here? Assuming that exists.

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Saltzman: Yes.

Rees: Mayor? Because this was a tentative decision, you need to set a date and time certain for adoption of findings. I am going to suggest it be at least two weeks from today.

Potter: Ok. Karla? Are you looking at the calendar?

Moore: Probably June 1. June 1 because Thursday we have three people gone so June 1 is a Wednesday.

Potter: Is that ok? What time?

Moore: It would be 4:00.

Potter: 4:00.

Leonard: We couldn't do it in the morning session?

Moore: We have already got three time certain that morning.

Leonard: We are formally adopting the findings.

Moore: We could put it on the regular agenda unless it has to be a time certain.

Linly: We need it to be a time certain but if it is adoption of findings it probably won't be a lengthy item.

Leonard: Right.

Moore: We could say 10:40 on June 1.

Potter: Ok. Do you have a point of order, sir?

Berger: If that's what it's called. I would like to with due respect ask the council how the citizens of this city influence council's decision? We've tried for many months, regular data and unified voices, point out the negative aspects of this buildings --

Leonard: If I could take a shot -- if I could take -- [inaudible]

Leonard: If I could take a shot at that. I think some people confuse influence on decisions with having decisions made that they want to have happen. The fact is that the decisions we did make were influenced very much so by the neighborhood.

Berger: In what fashion?

Leonard: Well in the fashion of the proposal that is as it has been just approved. We have tried to find a balance. I understand you are not pleased with that. But I think sometimes people get into a place where if they don't win, they think that we haven't listened and we did.

Berger: Thank you for your time.

Leonard: You bet.

Welch: It does seem like it's appropriate for development to make really ugly buildings initially and then negotiate on a more attractive building in the process.

Leonard: That is your opinion.

Welch: No, I'm not saying this is ugly. I am just saying why would we --

Potter: Point of order.

Welch: Sorry.

Potter: We have concluded this part of the council. We do have an additional item.

Moore: I'll go get commissioner Adams.

Potter: Did someone contact commissioner Adams's office?

Moore: Yes.

Potter: Ok.

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

Item 497.

Potter: Staff, go ahead.

Will White, Director, Bureau of Housing and Community Development: Good afternoon, Mayor Potter, Commissioner Leonard, Commissioner Saltzman. I am Will White, the director of the Bureau of Housing and Community Development. And I am here this afternoon with Rosaria Roberts with who is the co chairman and on my right and on my left Beth Kaye who is the program manager

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in charge of policy planning and communications and the lead staff person for our consolidated plan. So I am happy to bring you some good news this afternoon. Might be time for that. This document presented to you for your approval and adoption today is the document required by the department of housing and urban development that allows the city of Portland to accept each year the largest federal grant received by the city from all agencies that, on a continuing basis, send money here to the city of Portland. What you have before you today, your offices have already received a full draft of the consolidated plan but it's quite a thick document and so we have given you today what you might consider an executive summary calling out some of the high points. But before I get into that I wanted to explain for your understanding that the consolidated plan does not limit to the city of Portland. It is a regional planning document that covers Multnomah county, the city of Portland, and the city of Gresham, and we work on this in a coordinated fashion with those jurisdictions to come up with a consolidated product. As a result of this, and through our allocations from the federal government, we bring in about \$19 million a year in the form of the community development block grant, the home program, the housing for people with AIDS program, and emergency shelter grant funds. This, these funds constitute about 80% of the budget of our bureau, BHCD, and the other two smaller portions are made up of 10% of the budget which is competitive grants and 10% that is city money primarily general fund. So that's to give you the overview. The consolidated plan gives a great amount of data required by HUD but we go beyond their minimum standard in providing information about our local housing market, about the population of the city and the county, and about community needs. So there's a great deal of hard data that comes from public and private agencies with whom we work from the census and updates of the census that happen in between the 10-year primary federal census. In addition to that, to put a human face on that hard data, we conduct a large number of hearings and focus groups to get input from populations that might not be those that would typically find their way before you here at city council or even to our offices, but we invite them to the hearings chaired by the housing and community development commission and Rosaria will talk to you about that in a moment and we went out into the community where we held four different hearings this year in different neighborhoods so that they would have a chance to get to us without necessarily having to come downtown we took one further step. In the that I active American and Asian community we held focus groups where those leaders came to us to meet with us on their own turf of a place and time of their own choosing so we could get their input. And the last part of this executive summary gives some of the testimony that we had from those groups. So the heart of this document really is the principles and priorities that we report. HUD requires us to set three priorities, first, second, and third, and then to have our budget in, provide allocations based on those priorities. The largest amount of funding has to go to the top priority, and so forth with the second and third. We developed these priorities through an extensive strategic planning operation. The bureau engaged in about two years ago and then the public hearings that HCDC held during this last year and we have revised these priorities to line up with the new strategic plan of the bureau, the three strategic directions which are to work on affordable housing, homelessness, and economic opportunity for our low-income citizens. As you will see as you go through this, the portions of the consolidated plan that relate to homelessness are very much in step with the 10-year plan that's just been adopted to work on ending chronic homelessness in our city. It's also very much in line, the economic opportunity portion of this is very much in line with our new economic opportunity initiative. The details of that are led by Heather Lyons in our bureau who is in charge of our homeless programs and Lynn Knox who does an excellent job also on the economic opportunity program. But the first priority and the largest focus of our attention is on homeownership. And that program is overseen by Trell Anderson and by Andy Miller in our bureau. And I want to mention those names just because often you see the bureau director and it would seem the bureau director does all the work. Actually, those are the folks carrying the load, they and their staff and I want to acknowledge them publicly

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today. Within the housing arena of where most of our funding is spent, a portion of the money is oriented towards homeownership and the city's efforts to close the minority home ownership gap. That portion of our spending appears under the economic opportunity subject matter because homeownership is the biggest step we can take to increase the assets of low-income households. And so it fits into that economic opportunity program. The rest of our work is under the housing program. That's where you will find our rental housing programs which increasingly, over the last couple of years, have moved to provide support to our lowest income citizens and particularly to those who are homeless or at risk of homeless, be they individual adults or families and the children live in those families. We also have moved to include an asset management strategy that works to shore up the ability of our nonprofit partners to manage for their 60-year commitment that they make when they undertake to receive city funding to manage these investments for a 60-year period of time. And also an important partnership with Multnomah county to provide stabilization housing stability to these families by making sure that the service that is these families need will be there, not just the housing unit, but that those are being managed and carried out in conjunction with the service that is these families need to receive. So that's a brief summary of the consolidated plan. I will just state once more that the consolidated plan comes to you for approval just once every five years. And then each year during that if I have-year period we also bring you, as we did this year, the action plan that contains the steps we will take in this, in this fiscal year within that five-year planning period. And so this year you are hearing and receiving for your review and approval both the consolidated plan, which is the five-year document and this year's action plan. Next year and in subsequent years you will just see the action plan coming before you. So with that introduction I would like to introduce rosaria roberts who for the last six years has served as an able member of our housing and community development commission and who is currently serving along with janet byrd who was unable to be with us today as the co-chair of that commission.

Rosaria Roberts, Housing and Community Development Commission: Good afternoon. As will white said my name is rosaria roberts and I am currently co-chair of the housing and community development commission along with janet byrd. I wanted to talk to you today about the citizen participation and how they participated in the com plan hearings or the consolidated plan hearings. This year or last year the commissioners felt that it was very important to get out to the community and talk to the citizens and people in the communities to get their input about how government dollars are being used for housing and community development. So with that in mind, what was done is we had anina anderson who assisted us in coordinating outreach and community support and she actually contacted a lot of the culturally specific groups and we had a great turnout. And we had more than 120 people testify. And of those 120 people we feel that about 60% or greater were ethnic minorities. And that's the best that we have ever seen. People came, some came in wheelchairs, some came to listen. Other peoples came with written notes. Some came with written materials but all came and spoke from the heart and were very eloquent about what they felt they needed in their communities. We also would like to thank some of the city leaders that came out to support us. John canda, sheila holden, angela deparini, ray aspana, oscar sweet lopez, lee po cha, Vicky makashena, jenny lee, and connie hanson. They all came out to various hearings in order to support their particular constituents or citizens in their community. We, in addition, provided -- excuse me -- food and child care to assist the people to have an ability to come and participate, because the hearings were generally at 6:30 and 7:00. And a lot of the people that came were single mothers. And they have children. And they needed some way to provide for their families. We took comment by phone, email, fax, there were six hearings that were held. We had a hearing in brentwood darlington, inner southeast, inner northeast, rockwood, hillsdale as well as fairview. Of the six hearings, we also had two focus groups. There were six predominant themes that went throughout. The first and by far the most important was the need for short and long-term rental assistance. This issue came up in about 80% of the testimony that was provided. And was

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the number one concern from the citizens in the city. The second theme that came up that was very important was the need to address family homelessness. Family homelessness does not look like a single homeless to some people that are on the streets because what was told us are that families do not basically live in street or go to shelters. What they do are they double up in relatives' and friends' homes. They sleep in cars but they do not go to shelters and therefore are not included in the individual counts, the street counts that take place. The data also shows that the number of families experiencing home ownership has increased significantly over the last 15 years with the last six years having a great, steep rise. In addition, the homeless families coalition did an excellent job of getting their people to the hearings and voicing their opinion. We also heard the need to have more culturally specific systems to address low-income people who are not served by the mainstream. We heard about this in focus group as well as our public hearings. Many people expressed the appreciation of having services interpreted in languages other than english as well. We also heard the need to increase the economic -- economic opportunity initiatives that are available to assist people getting to higher paying jobs so that they can afford homes and health care and food and in a way and a possibility to raise their families. We heard about the need to be pro I have active in addressing displacement. That was a big issue and also the need for action to close the minority homeownership gap. On the two separate focus groups that were conducted, there are a couple of points that I would like to mention. Each of the groups had about 25 people to participating. And their comments are summarized on the handouts that you have in front of you. On the native american focus groups, many of the members spoke of the distrust relating to the federal abuse of native rights. They also spoke about native americans who were born on reservations, and live in the city, go back to the reservations to spend the summers with their extended families, consequently when they come back they do not have homes and their children are generally not able to register to go to school and that particular community. And it puts the children that much further back in registering for classes. Also native americans have the highest high school dropout rate in the county. The lowest homeownership rate in the city. They have a serious undercount in the u.s. Census due to doubling up in mobility. And many native families have seven to 13 members in their household, which is not unusual, but for subsidized rents the homes aren't large enough to adequately accommodate their members. They have a great need for culturally specific mental health and drug and alcohol treatment programs as well. On the native american front, we heard about the difficulty with the language and the literacy problem. Asian. Did I say -- asian. I'm sorry. A problem with the language and the literacy barriers, people who do not speak english have a great difficulty assessing city and county services. It's a cultural taboo for them to ask for help because it shows a loss of faith. Generally, what happens is that they go to their elders for direction. And many of the elders do not know how to access city and county services. Therefore, they basically are at a loss. Many of their families also double and triple up to avoid being homeless, sleeping in cars and trying to avoid the appearance of homelessness. An extended family can be as many as 16, 18 people living in a house that was meant to house four. On the african-american perspective, what we saw was that in the african-american community, many of the families had been displaced and now live in rockwood gresham and outlying suburbs. And they do this because of the escalating rents in north and northeast Portland and the lower rents and gresham and some parts of beaverton. But the problem is that the minority population still has their roots in north and northeast Portland. Their churches, their schools, their friendships, their relatives. There's a real big disconnect as physical as service providers. The people that have moved out of the area coming back in to access the services. One real highlight that we had was a young woman by the name of nicole crane. Nicole is a housing authority of Portland tenant. She came to the brentwood darlington center in her work clothes. She is a construction worker. She actually is a graduate of the e-tap program, the evening trade apprenticeship program. She completed the program and she had gone through the internships and she now was working, I

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believe it was with hoffman. And she is a permanent worker on the ohsu tram in southwest Portland. She was very pleased and eager to let us know about the help that she had received and she credits the city's economic opportunity initiative, the housing authority of Portland, and the housing authority of Portland's goals program with helping her to get to where she is now. Her goal now is to become a homeowner and I believe she will be able to do that. In closing, there are a few things I would like to say. One is commend the city for the additional \$2 million from special fund to help towards homeownership. Request increase in the amount of short and long-term rental assistance. Talk about it and address the need to do something with family homelessness. Family homelessness is a real issue and it's not being counted adequately. Doubling up in homes and living out of cars. Request that culturally appropriate services be provided and not outlying areas. Look at the need for culturally competent service providers. Also look at the need to increase funding for economic opportunity initiative. Concern about the displacement of those most in need and lastly, the need to close minority homeownership gap. Thank you.

White: Thanks, rosaria. Finally, I would like to introduce beth kaye who as I say is the program manager in charge of creating this consolidated plan. Which creates the conduit for us to bring this \$19 million a year into the city. Beth?

Beth Kaye, Bureau of Housing and Community Development: Thanks. It's practically good evening. Mayor Potter and commissioners, I want to just start out, I have been working with hdc now for six years. And it's been an incredible privilege to work with them on this consolidated plan. They have a commitment to listening to the community and responding conscientiously and responding to what they heard. In a period this winter they turned out for focus groups, work sessions and two public meetings and I think the reason the hearings worked so well and they did, they had that electric feeling you get in a good hearing. Was because the people who were testifying saw that the people who were listening were people just like them. They were the volunteer commissioners and the community partners who, who we had sitting with us. And the commissioners asked the kinds of follow-up questions that elicited the information that they would need to do the policy work. Will has covered for you the policy core of the com plan, the principles and priorities. They were developed with input from the jurisdictions and they are based on both the data that we described to you and the testimony that rosaria has described. In addition all the work that hdc does all year in committees like the homeownership advisory committee, and the special needs committee and the special needs families work group, all of that comes to bear in the consolidated plan. What I want to do very briefly is call your attention to the principles. Now, the principles are not required by hud but they are a Portland tradition. They are statements of policy that are intended to guide the jurisdictions in developing and implementing programs. And I want to -- there are nine principles but I only want to have you look at three of them now. They are all good but I figured by this time you would only have attention for three and they are really three that are above all. So if you would take a look after the resource table --

Saltzman: How about two.

Kaye: I can cut it to two.

Saltzman: Just kidding.

Kaye: I'll be quick and dirty.

Leonard: Sams' rested he can do all nine. [laughter]

Sten: Yeah, that's right.

Adams: I've just begun.

Potter: He's fresh.

Kaye: I think I can only handle three. So there's a new principle one. And this principle calls for, I think these are going to hit some themes that are dear to your heart. Call force all resources to be invested to promote long-term systems change, specifically, towards integrated systems that are going to give low-income households access to a broad array of tools to create sustainable

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improvements in their lives. The bhcd opportunity program is a great example of that. The people in that program don't just get job training. They get a range of things that are going to help them move today. Advice on money management, showing up for work, all kinds of different support and that's really, we think, the way to go if you are really going to make a difference with poverty. New principle two calls for making services available fairly to all low-income people including those who have experienced barriers to accessing services due to their race, their color, their religion, gender, ethnicity, culture or sexual orientation. And really this principle comes right out of the hearings that we did and the focus groups where we heard about the access issues. This principle tries to ensure that households of color are served well and also are served in the proportion that these households exist in the low-income population. Now, I want to make sure that you know that I am not saying and the hcde is not suggesting our current system is not fair and that we don't provide services fairly now. But we did hear over and over about access issues and the need to examine closely when we need to use culturally specific service providers. The county has been looking at this for a while. The city has not done that quite as closely. So to implement this principle, each jurisdiction in the consortium is going to need to examine the program data that we collect to see who we have been serving and then check in to see how well people feel they are being served and where they are finding barriers and what they think would help to address them. This is going to take some time but it's an important piece of work and we will kind up making our programs stronger and more fair. The final principle I want to call your attention to is new principle nine and that's -- I have to page through a couple of things. So this is hcde's effort to provide direction around the issue of involuntary displacement due to public investment. Now, obviously, with the private real estate market as hot as it is, economic gentrification of neighborhoods that were once affordable and involuntary displacement of existing residents is to some regular inevitable. However, principle nine focuses on the public investment piece and asks that measures be taken early. When the investment is contemplated. Not when with it's made but when it's contemplated because that's when the speculators get in the market. To protect low and moderate income residents including established small businesses from involuntary displacement. This is a tough issue. It's taken hcde years to get around it enough to craft this policy guidance and it's an issue that the hcde and pdc and other elements of the city have to think about very creatively. Figure out how to give it legs and implement it. So in closing, on behalf the hcde and the three jurisdictions, I am proud to present the consolidated plan 2005-2010 and accounting plan 2005-2006 to you for your approval. I hope it finds, provides with you a clear road map towards a Portland where every adult and child will have a place to call home and the opportunity to succeed in life. Thank you very much.

Potter: Thank you. Questions?

Adams: Just one. You talked about the cultural sensitivities and I think it's -- I mean I see it show up in a number of different places in the principles and priorities and principles two a, b, principle four f, but you also I thought well captured the fact there's a lot of pressure for people to, for economic reasons involuntarily to be moved to gresham and outlying areas and to a certain degree your focus is on trying to prevent that from happening or reducing that pressure. But what the fact that it has or has already happened or is happening, what do we do or what are you doing or who is in those other jurisdictions doing this kind of work?

*******:** You want to take that?

White: I'll start.

White: I think an example of that, commissioner adams, is in the north interstate urban renewal district which is one of the more recently created districts and as beth said, the essential thing is to start taking some action early on before people have already sold their homes to somebody coming in with a cash offer that might not be in their long-term best interest. And in the, in that urban renewal area, we invested some money early on to get out and educate people, educate those

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households as to what the impact of these investments might be, what might be happening in terms of them getting offers to buy their home or to get them to, you know, accept what looked like a really nice cash offer. A lot of it was that kind of education, and then we also had some efforts to try and make sure that they were prioritized for such things as homeownership opportunities if they were at a level where they could qualify for that.

Kaye: The other piece of your question, sam, was how are they getting services to people who moved ?

Adams: That makes sense. I am sorry if I wasn't clear. I have a reasonable understanding of what you are doing there. What about those who have left or will be leaving no matter what we do?

Kaye: An example of that would be one thing we did with our target areas programs. The bureau used to have a target areas program that was geographically based so we would focus on a neighborhood. We started to think, gee, focusing on a neighborhood isn't working because the people we were trying to help are leaving the neighborhood. So we created a target area that's kind of a virtue target area around the latino community. And have been working with the latino community to determine their needs. And have been putting funding in organizations like el programa, which provides services to the latino community throughout really throughout the city and particularly on the east side and outer southeast and northeast areas.

Adams: Thanks.

Roberts: I would like to address that. To answer that question from my perspective I don't think there's being a lot done to help those people that have already been displaced. Currently they are still accessing the services and what we heard from service providers they need more assistance in order to help people that are coming back into the community, but the service providers do not get the benefit of them living in the community because they have already left.

Adams: I see.

Roberts: So it really is a problem. And one of the things that came up from one of the people, the citizens that spoke at one of the hearings, was that the city should bank a certain number of affordable rentals. Because the education does help and I think is very vital. But quite a few of the households that we are talking about are not at that step right now. They are not able to take advantage of homeownership. And so basically, they are forced to find other housing because they cannot afford to purchase the home that they live in. And the rents are being escalated and are too high.

Adams: Thank you.

*******:** You are welcome.

White: If I could just add one or point now that I am honed in on the exact question, I just wanted to explain that a change that's happened in terms of how bhcd allocates its resources under the council's guidance is in the past two years, is that as beth alluded to, we used to have almost all of our resources go into neighborhoods where the percentage of poverty was high. And what we found over the last decade is that as prosperity came, it really didn't lift all boats. And that folks who were poor tended to stay poor. Some of them stayed in the community. Some of them were forced out. And so we have shifted our allocation of resources now to focus less on place base strategies and more on people-based strategies. So now we are looking for programs to qualify based on serving people of low-income, those being in the bottom quarter of the income ladder, wherever they might live, rather than say you have to live in the king neighborhood or live in lents.

Adams: I think that's smart. I think that's smart.

Potter: Tell me a little bit about the process. What are the next steps now?

White: With the actual con plan?

Potter: Yes.

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White: It is to be approved by the city council and by the city of gresham and the county commission as well. And then it's submitted to hud and beth can tell you what the date is for that.

Kaye: Next tuesday.

Potter: Next tuesday.

Kaye: And hud takes the look at it --

*******:** Pardon?

Saltzman: That's a lot of approvals to get.

White: It is. It's a regional plan. Not just a city of Portland plan.

Kaye: It's a sprint is what it is. It's a relay. And we get it to hud. Hud looks it over internally. They typically come back to us for some clarifications. And then it gets sent to d.c. And then we wait for the d.c. Stamp of approval and for the funding to hit our account. Typically, that happens sometime, we pray for it to be before july 1. Typically it's within the month of july and we hope that it happens before we get the first rounds of bills from our contractors. On the contracts we are letting out.

White: And then to complete the cycle, at the end of that fiscal year, we go through another process which we are doing now for the fiscal year we are just completing called the caper where hud wants to know, well, what did you actually accomplish with the money that you spent? They take the action plan for last year, which you approved a year ago and then they say show us the money, show us where it went and show us what was accomplished.

Kaye: So we are waiting for con plan approval both from city council, and from hud before we can really complete the contracts with all the community-based providers that we contract this money out to.

Potter: Any further questions, folks? Karla, call the roll, please.

Moore: Anyone want to testify?

Potter: I'm sorry.

Leonard: No. Come on up.

Teresa Teeter: Teresa from clackamas county. I wanted to remind you, mayor, we started the day off today with the state of the city from the children who said that homelessness was a very big concern with them and their school. And I am still a homeless advocate in the city and doing volunteer work with homeless. And having previously been homeless. And I wanted to let you know that your city is highly exemplary of praise for what you folks do on your council and as the mayor for homelessness in this huge city on the northwest coast of america. And you really are held up there. We heard a group come in here this morning that wants to bring a ship in and put dignity village out on the willamette. I can see the high rise condo boats coming in already and the poop deck for all their puppies. I want you to kind of remember how the day went today with the issues of children set the pace for the day. You know how it says in the bible and a child shall lead them. I did a lot of research on the work group last year for the 10-year plan before the commission. And I added up everything that the c.d.c. Together moneywise and people they impacted and it came to about 25,623 families, individuals getting all this money lumped together to keep them off the streets from all the c.d.c.'s in Portland area. And it didn't count each kid under their house so it's impact the quite a few more. So I want to see the overall impact of the massive amount of people that are not going to be homeless anymore. And really vote aye on this. Thank you.

Potter: Thank you. Is there anybody else to call on the signup sheet?

Moore: I don't think so.

Potter: Ok. Any further discussion? Please call the roll.

Adams: Well, I just want to thank the leadership at bhcd for your excellent, ongoing staff work and leadership in this area. I want to thank ms. Byrd and ms. Roberts for your leadership on the commission. It's much appreciated. And I am very pleased to vote aye.

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Leonard: And I echo those remarks. Aye.

Saltzman: Thank you for your good work, your compassionate work and thanks to the housing development -- housing community development commission, too, for their tireless dedication to this as well. Aye.

Potter: I would just like to extend my thanks to will white and all of your staff. I think you are setting some good models for being inclusive, being transparent and really being accountable to our community and I appreciate that. Thank you. I vote aye. [gavel pounded] that's it. We are adjourned until tomorrow at 2:00.

At 4:27 p.m., Council adjourned.

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Closed Caption File of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

MAY 19, 2005 2:00 PM

[Roll call]

Potter: Please read the item.

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Potter: Ma'am, excuse me. We're not quite to that stage. The city attorney will describe the hearing and how it will be conducted.

Kathryn Beaumont, Sr. Deputy City Attorney: Thank you, mayor Potter. First I have several announcements to make about the kind of hearing we're having today, the order of testimony and guidelines for presenting testimony. This is an evidentiary hearing. This means you may submit evidence to the council in support of your arguments. This evidence may be in any form such as testimony, letters, petitions, slides, photographs, maps, or drawings. Any photographs, drawings, maps, or other items you show to the council during your testimony should be given to the council clerk at the end of your testimony to make sure they become a part of the record. In terms of testimony, the testimony concerning the hearings officer's recommendation to the council will be heard as follows. We'll begin with a staff report by kathleen stokes from the bureau of development services for approximately 10 minutes. Following the staff report, the city council will hear from interested persons in the following order. The applicant will go first and will have 15 minutes to address the council. Of a the applicant, the council will hear from individual or organization who's support the applicant's proposal. Each person will have three minutes to speak. Next the council will hear from persons or organizations who oppose the applicant's proposal, and against each person will have three minutes. If there was testimony in opposition to the applicant's proposal, the applicant will have five additional minutes to rebut testimony given in opposition. The council may then close the hearing, deliberate, and take a vote on the hearings officer's recommendation. 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 hearings officer's recommendation. If the council takes a final vote today, the council will also vote on the accompanying ordinance, and that will conclude the matter before the council. I have two quick guidelines for those presenting testimony and participating in the hearing. These guidelines are established by the zoning code and state law and are as follows. Any testimony and evidence you present must be directed towards the applicable approval criteria for this review, or other criteria in the city's comprehensive plan or zoning code that you belief applied to the decision. Kathleen, during her presentation, will identify the applicable approval criteria if you fail to raise an issue clearly enough to give the council and the parties an opportunity to respond to the issue, you'll be precluded from appealing to the land use board of appeals based on that issue. And that concludes my opening announcements.

Potter: We will have first a staff report and then the testimony. Staff?

Kathleen Stokes, Bureau of Development Services: Thank you, mr. Mayor, commissioners. My name is kathleen stokes, i'm the bureau of development services staff for this review. This is a request for a comprehensive plan map amendment from industrial sanction ware to central employment, with a concurrent zoning map amendment from i.g.-1, which is the general industrial one zone in the industrial sanctuary, to exd, the central employment zone with a design overlay. A concurrent design review for redevelopment of this site is currently being considered. The proposal

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is to have a mixed use project with housing and retail uses. This is being considered under a different case file number I.u 04-067058-dzm. The development proposal is not a part of what we're considering today, though some of the opportunities that are allowed by the redesignation and rezoning will be discussed. That's because the types of uses being proposed for the redevelopment are allowed under the e.x. Zoning, but not under the existing ig-1 zone. The industrial zone doesn't allow household living uses unless they are for floating homes such as houseboats. It also limits the floor area that can be devoted to retail and office uses. The Ex zone does not place limits on these uses beyond the development standards that limit the overall floor area ratio on the site to 3-1. The approval criteria for this review are those criteria for comprehensive plan map amendments which are found in the zoning codes title 33, section 33.810.050 a, and the code section for zoning map amendments, which are found in sections 33.855.050 for the base zone map amendment, and 33.855.060, which is for the designation of the design overlay. Existing zoning map shows the site, it's about three-quarters of a block and as I said, it's currently zoned industrial. It's at the north edge of a small industrial area with the proposed zoning shown here as e.x.d. with central employment comprehensive plan map designation. There's a site plan here showing the three-quarter block and also the portion which is not part of this on the northwest corner with the existing building located on the east side and then currently the rest of the property is vacant, though paved over for the most part, and this is showing what might be put there of a the design review is approved. The site's located on north fremont. It's between albina and borthwick. This is supposed to be converted to a bakery, which is actually an allowed use in either zoning. The site is currently used for truck and equipment storage facility. You can see by the sign at the edge of the right of way that no truck parking is allowed in the right of way in this area, so that somewhat limits its use as an industrial area parking all has to be completely contained on it site. Currently in this area the industrial meets the residential zoning and the development, and there's an elementary school directly across the street from the site to the east. There's a shot showing the established residential area on the north side of fremont. You can see these are older homes who have been there since the early 1900's. There are views to downtown from the area, which are considered an amenity that's mentioned for preservation in the boise neighborhood plan. Fremont is a transit street. The area is a designated pedestrian district, which again creates some complications for industrial uses in the area. The industrial area is comprised of a number of pretty small sites that make it difficult to redevelop for new industrial uses other than those that could be allowed anyway under the employment zone. It's further complicated by the fact there are not good direct connections to freight movement from this area, and you can see there has not been any recent reinvestment in the industrial properties. There is multidwelling development directly across the site across fremont, and I mentioned before there's an elementary school directly across the street to the east. One block away there's a small commercial area that's seen an intense revitalization in the recent years. And then directly to the west across albina street there are other small industrial sites. This is a view of the northwest corner of the block which I mentioned is not part of the proposed amendment, that's the only portion of the block that is not. The subject site currently this is looking at it on -- along the south on cook street. That area is currently being used as a temporary location for materials for the rebuilding center, which is located a block and a half away on mississippi, and is currently -- they're building a new building so they're using a portion of this site to store some of their recycling -- construction recycling materials. A view of the southeast corner of the site near the intersection of cook and borthwick. You can see on the right side of the picture the edge of the school building. This is looking due south to some of the neighboring industrial uses. Fairly low intensity industrial use, small sites. There is more single dwelling residential development to the south of the school and east of that industrial area that we were just looking at. School grounds directly across from the site. It's an historic elementary school structure with -- you can see in the distance the residential area again to the north. The redevelopment opportunities that could be allowed with the central

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employment designation and the e.x. zoning will invite new investment to the site, and it will allow use that's could make a better fit between the existing development that i've shown you and the infrastructure in the site. It can provide a buffer between the existing small older industrial sites and the immediate -- the residential uses that are immediately abutting this site. You can also -- it can also provide a link to the historic commercial district on mississippi avenue. In summary the recommendation from staff and the hearings officer was for approval of both the comprehensive plan amendment and the zoning map amendment because it was found that on balance, the policies of the comprehensive plan and all of the related plans that were part of the approval criteria are equally or better met by the requested designation and zoning. The only policy that was actually better served by the existing zoning was that of the industrial sanctuary, and that is sort of -- it of course an industrial sanctuary designation would better serve that policy, but because of the reasons that i've mentioned about the limitations on any redevelopment for industrial uses in this area, there did not seem to be any extenuating reason to make this piece of property an issue regarding the industrial sanctuary. It was not found to be one of the critical industrial sites in the area. So to allow some industrial activity through redevelopment as well as the uses that could be allowed under e.x. But would not be allowed under i.g.-1 seemed to be a better fit for the neighborhood and something better for the health of the city. That concludes my presentation. I don't know if you have any questions of me at this time.

Potter: Any question, council?

Adams: Your term of art, does the city automatically assume that if a piece of property is zoned industrial that it's in an industrial sanctuary?

Stokes: Yes, commissioner adams, the industrial zones, those that start with the I rather than the e for the employment, the three zones, i.g.-1, i.g.-2, and i. General industrial 1, 2, and heavy industrial, are all three zones that implement the industrial sanctuary policy.

Potter: I know that each city is supposed to have a certain amount of industrial land banked. How does that affect that?

Stokes: We conferred with the below of -- bureau of planning, who has kept track of our land bank and has communicated with metro regarding their tracking of the industrial land bank. We have also -- we also notify metro as a matter of course whenever there's any comprehensive plan map amendment request. We did not directly hear from metro regarding this, however, we were advised by bureau of planning staff that this was not a piece of land or an area immediately in this small pocket that we were looking at that was identified as a critical piece as part of our land bank. The lower albina area is, but this is not within the lower albina area.

Potter: Thank you. Any other questions?

Saltzman: I'm trying to determine the zoning of the southern -- properties to the south. Is that i.g.-1 also?

Stokes: I believe. So i'm going to flip to the zoning map to make sure i'm going in the right direction. Yes. Immediately to the south and immediately to the west the properties are zoned i.g.-1. If you skip over to the next --

Saltzman: You mean east? The map i'm looking at shows borthwick is to the --

Stokes: It's to the east.

Saltzman: So the west -- west is i.g.-1 and south is i.g.-1?

Stokes: Yes. And farther to the west beyond mississippi avenue, the area is zoned i.g.-1 but it already has a comprehensive plan map designation of e.x.d. There's also some e.x.d. properties to the northwest on the other side of fremont along mississippi avenue.

Saltzman: Ok. Thanks.

Potter: Other questions? Thank you.

Stokes: You're welcome. Thank you.

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Potter: We'll now hear from the applicant. Would you please come up. Thank you for being here, folks. When you testify, would you please state your name for the record and you have 15 minutes between the two of you.

Roger Alfred, Kaiser Group: Thank you, mayor Potter, members of the council. I'm Roger Alfred, appearing on behalf of Kaiser Group, who is the applicant for this map amendment. With us today we also have our planner Nancy, and architect Cory Martin, and we're all here to answer any questions you might have about what the proposal is and what we're considering doing with the property. First I would like to thank the planning staff, Kathleen Stokes and the people at the Bureau of Development Services did a great job with this. We're very thorough, very detailed, and contrary to what you might read in the papers, very responsive, ready to call us up with any questions and respond whenever we needed them to. So we're very thankful to them for that. We're just going to say a couple of things. I think this is a very exciting proposal for the city of Portland. This application provides the city with an opportunity to allow an infill redevelopment in an area that will provide mixed use development and also help provide additional support for the reemerging commercial district in the North Mississippi area. As was stated in the staff report, in addition from being just a few blocks from the Mississippi commercial area, this site is also located within walking distance of the Interstate MAX line, it's also located on North Fremont Street, which is a transit access street under the city's comprehensive plan. And our belief is that the site's location and proximity to transit really along with the fact that its size and location make it not as well prepared for the kinds of industrial uses that the city is looking for, really lead to the same conclusion that city staff and the hearings officer came to, which is that the city's urban development -- urban development overall is better supported by placing this site in a commercial central employment designation rather than the existing industrial. I'd also like to say quickly that I think the city is very fortunate to have this project brought forward by a developer who is highly invested in and highly committed to this area. Ben Kaiser and his company have been doing projects in this area for many years, but I think more importantly, this is also the area where he both lives and works, and you'll notice from the front page of the hearings officer's recommendation that the Kaiser Group office and world headquarters is located on North Mississippi, which is just a few blocks from this site, and as a business owner and as a resident of this area, I think Mr. Kaiser is particularly committed to making sure that the city ends up with a project that is both successful and attractive and good for the future of the area. I don't have anything else.

Ben Kaiser: My name is Ben Kaiser, good afternoon. First off, I'd like to thank you gentlemen for your continued public service and contributing to what in my opinion is a fantastic city, and all the work that goes into that. So I thank you guys for that. I also want to thank Kathleen Stokes and Nancy Durso and Corey Martin as well, as well as Roger Alfred, as you guys know, as this process of a zone change is pretty onerous, and rightfully so, and these -- this team really did a fantastic job with it all the way through. It is an exciting area, as you probably read in the newspaper again and again, the Mississippi-Fremont-Williams-Vancouver corridor really changing very quickly, and rightfully so. They used to be not many years ago pretty vibrant core, and it's pretty interesting and exciting to watch that resurgence happen and how quickly it's happening. And aerial photographs as late as 1956 show this particular site as all housing, and I think it's interesting as I learn how a city breathes and lives to see at the time people are trying to make the best decision of zone changes with the information they have at the time they're making the decision, and sometime back, 1950's, there was -- they decide to raze the house and turn it back into an industrial area, and maybe that was to put together problems of the time of the area, and I think now maybe the whole area has changed again, it's time to return it back to where it was. And similar zoning situations are all up and down the Williams-Vancouver corridor, where at the time people were studying a zone, they try to solve the problems of the day, but the zone went off and maybe -- maybe that isn't the best zone change for that particular time. In the long term outlook. So anyway, we're excited to put a great project and

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mixed use, my specialty is housing, and high-dense if I housing, and i'm excited to have grand central baking moving their headquarters here to this existing warehouse, like kathleen mentioned. And I think the resurgence of mississippi, the one thing that's missing presently is density. The businesses are all doing well, it's definitely a destination spot, but I think what is needed over in that area is higher density. And that's what we're trying to bring to the site. Thank you.

Potter: What kind of housing are you going to have? In here it indicates they're lofts. What kind of housing will it be?

Kaiser: Mayor Potter, it's unknown right now. We haven't really dealt too deep into it because we didn't know what the zoning would be. My hope is for mixed both apartments and condominium, market rate condominium, and we've also spoken to the neighborhood about some sort of -- i'm working with the Portland community land trust on a land trust condominium model on another project, so we're interested in maybe having that be a portion of these units as well. So it would be a mixed, probably of all the housing we have.

Potter: What is the neighborhood that it's in?

Kaiser: It's in the -- I always get this -- the boise neighborhood. And it's right on the border of the elliott neighborhood.

Potter: I noticed we have letters from both boise and elliott. Boise appears to be supporting it, and elliott has some concerns about changing the albina community plan.

Kaiser: I think -- I believe the gentleman is here today to speak to that. And I think their concerns are more -- they want a comprehensive look rather than a spot rezoning.

Potter: I notice that the boise neighborhood association said you came out and spoke with them. Did you also speak to the elliott neighborhood?

Kaiser: I think I got them information on it. I don't think I spoke to the association.

[inaudible]

*****: Oh. There we go.

Potter: Any other questions, folks?

Adams: What would be your response to the -- what is your response to the concerns of spot zoning?

Kaiser: I think that the -- I think comprehensive zone studies are fantastic idea. I think it's a long-term process. It would be, is it a long-term process, and I think these properties would lay -- I don't think that's necessary, I think it can encompass over a comprehensive zone study can encompass spot zoning as well. As long as it's in the direction that everybody seems to be in agreement upon, the comprehensive zone in the future would just encompass it.

Alfred: I would also add that I think the term "spot zoning" in this context isn't really exactly appropriate. Just in typically you would think of an island of some nonconforming use in an area that's otherwise designated in a situation here as is pointed out in the hearings officer's decision, as that this site is bordered by residential property immediately to the north, it's also bordered by the boise-elliott elementary school to the east. And those two uses combined with the pedestrian designation on the street and its designation as a transit street and a number of the other site considerations really suggest strongly that this area would be well used by residential, and it is in fact adjacent to residential.

Potter: Did you say there was a grand central bakery moving in?

Potter: Is there any agreement to hire from the local community?
Any agreement -- i'm sorry?

Potter: Grand central bakery, are they bringing people in, are they going to hire from the local community? Do you know what kind of arrangement they have?

Kaiser: They had a meeting with a couple of weeks ago with the neighborhood association and said I believe exactly that. That's their intent. It's a family-owned business, and the daughter, piper davis, that's her whole intent, is to hire from -- they're going to be moving of course some people

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over from their other stores, but her intent, I think they're going to have upwards of 40 employees there, so she presented to project to the neighborhood association and asked exactly that, if people are interested in working, please come.

Potter: She also lives in the neighborhood too. Any questions, folks? Thank you.

Kaiser: Thank you.

Potter: We'll now take testimony from supporters of the applicant. Is anyone signed up to testify in support of the applicant?

Moore: We have no one signed up.

Potter: Ok. Then we will take testimony from people who are opposing the change.

Potter: Thank you for being here.

Mike Warwick: I live in the elliot neighborhood. I'm sure the neighborhood association land use committee, and this is going to be some peculiar opposition, but we strongly support the project as ben noted, we're concerned about the proper assist -- process of piecemeal zoning in elliot, and a little history on why that concern is there. Prior to the adoption of the albina plan, there was a great deal of fairly casual in our opinion rezoning of residential property, and the demolition of that property and conversion into pretty low employment warehouses, which basically continued the desecration of the neighborhood. Right now there's a lot of ways to argue about whether this is an appropriate zone change. Our neighborhood is pretty much swiss cheese at this point with the remaining 100-plus-year-old houses next to commercial uses that some of which have been grandfathered, some of which have not. So everything is as sent to everything in that neighborhood, but we're trying as a neighborhood association to salvage the neighbors as best we can and preserve the housing stock, and the neighborhood fabric. This project of course is a great addition, it does not detract from that, and otherwise we would support it. Our concern is not this project, but somebody whose intentions are not our own. Now, that said, I don't want to be just critical here, we actually have a proposal which i'd like to throw out in front of you here. I also chair two p.d.c. Advisory committees, one for the martin luther king corridor north of broadway, and another one for the Oregon convention center you're ban renewal -- urban renewal center. And the resolution that we passed as part of our budget recommendation to p.d.c. Was that they include some funding to look at zoning along m.l.k. And this part of elliot to see what's working and what isn't working. It's pretty obvious what's been pointed out the last 13 years have not seen the kind of development that was envisioned with either the zones that are there or the people expected. And in that time there's been a lot of anecdotal evidence that development that could have happened, did not happen, because the zoning isn't facilitating that kind of development. Ben's case is an excellent illustration. We've talked to planning staff about this. They said there is no plan or funding for such a review, so we asked p.d.c. To support providing those funds, we've got a preliminary budget estimate from planning staff and I regret to of last week the p.d.c. Commission had chosen not to accept our recommendation to fund it. So I think that a comprehensive relook at that zoning, it really only affects three neighborhoods in the entire albina plan area, is really something that's essential to get more private investment and less p.d.c. Investment in that neighborhood and to cat lies these kinds of projects. I think this is wrong for those reasons, but I think there's a solution to this problem that hopefully wouldn't be onerous and take that much time, certainly not the same or magnitude as the albina community plan process. That concludes my testimony.

Bob Short: Bob short, with glacier northwest. We have a cement terminal located on river -- lower albina industrial sanctuary. I'm not really opposed to this project either. I think it's a good project. I am only here to raise a cautionary note about the potential for erosion of industrial sanctuaries. I think staff has addressed that issue very thoroughly, and pointed out very clearly that in this case it is -- the city is probably better served by this kind of a zone than it is by having it underutilized that it's in an industrial property. But I just would like to point out as much on behalf of the folks in lower albina that we need to be very thoughtful about projects that are -- that

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encroach upon industrial sanctuaries, because they were created as much as anything to protect our industry from incompatible uses. And to protect incompatible uses from our industry, I guess you would say equally. So as I said, I think this is a good project. I think staff has done an excellent job of presenting it, and the issues that -- and in presenting in particular the issues i'm concerned about. I just would like to raise that one small cautionary note. Thank you.

Potter: Thank you very much.

Adams: Quick question. What was the cost that -- did you say you got a cost --

Warwick: 150 is what joe said.

Adams: Thanks.

Potter: Is there anybody else --

Moore: That's all who signed up.

Potter: We'll now hear the applicant's rebuttal. If you wish you can come back and have five minutes to rebut. Please state your name when you testify.

Alfred: Thank you. Alfred, again. Just very briefly. I clearly we're not hearing any significant opposition to the project. I would like to reiterate, we're very grateful to mr. Warwick and people like him who chair these neighborhood associations and do a considerable amount of work, and I think it's great that he's willing to take the time to show up today and testify, and that he's concerned about the zoning in the area. I would again just point out that the neighborhood association, the project is actually in, is the boise neighborhood association, which has wholeheartedly supported the rezoning. And I understand mr. Warwick's concerns about what he referred to I think as the swiss cheese approach to zoning in other portions of the albina district, and, again, I would just point out that that's really not the situation with this proposal, given the fact it is immediately adjacent to another residential area. It's close to a vibrant and emerging commercial area, and also next to this elementary school, you know. The existing industrial use there's are probably short-lived in any event, and delaying this project for the purposes of a comprehensive plan I think would be -- would not be a good idea. Thanks.

Potter: The evidentiary record is now closed. Council has before it two documents. The hearings officer's report recommending approval of the comp plan amendment and zone change, and an ordinance implementing the recommendation. Now is the time for council discussion and deliberation.

Leonard: I'd move approval of the hearings officer's recommendations.

Adams: Second.

Potter: Karla, please call the roll.

Adams: I'm going to support this and when we have the p.d.c. Budget work session, i'll also raise the issue expressed by the elliot neighborhood regarding the plan. It will be our opportunity to advocate to them to get the funding for the bigger picture, and I -- you have my commitment to do that. Advocacy, I think this will be great for the neighborhood, and I do agree, having visited with many of the businesses up and down mississippi, that they need the kind of customers that are within walking distance to sustain themselves. So I vote aye.

Leonard: Aye.

Saltzman: I think this is a great plan. It's going to bring jobs and housing, which I think is very much needed, both of them, and I appreciate the cautionary note about being cognizant of our potential intrusions in industrial sanctuaries. I think this council is very much aware of that concern, as some of the questions eelh early on asked. But this is a great proposal and i'm pleased to support it. Aye.

Sten: Congratulations. This is a wonderful project. The objections are well noted, and I think we need to deal with those, but I think trying to do it by holding this up would be a mistake. Actually I used to live very close to there and have lots of friends in the neighborhood, and it was a rumor for

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a while that grand central was coming in, and they're very excited about it. I think the neighbors will be good neighbors to this particular business. Congratulations. Aye.

Potter: I too am pleased with this proposal. I'm really glad to hear grand central will be hiring people from the community. I think that's a very important part of all of this, because certainly in that particular area of Portland, there's a serious under employment, and we appreciate that effort. I support commissioner adams' resolve to talk with p.d.c. When they come in for their budget discussions to point out what elliot neighborhood has suggested, and see what they have to say about it, and I would support them moving on that. So I also appreciate the developers going to the neighborhood associations. They're very important partners, and i'm glad that you went to them. I i'm also glad you went to the school, obviously 600 kids can't be wrong, can they? I really appreciate it, and I vote aye. [gavel pounded] the motion to adopt the hearings officer's recommendation passed. The application is approved. Karla, please read the ordinance.

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Potter: This -- is council ready to take a vote?

Adams: So moved.

Potter: Moved and seconded. Karla, please call the roll.

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

Potter: Aye. [gavel pounded] this is the last item of the day. We are adjourned until next week.

At 2:45 p.m., Council adjourned.