



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **14TH DAY OF JUNE, 2006** AT 9:30 A.M.

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

Commissioner Adams was excused to leave at 11:57 a.m.
Commissioner Leonard left at 12:12 p.m.

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

Items 787, 791 and 780-784 were pulled for discussion and on an Y-5 roll call, the balance of the Consent Agenda was adopted.

COMMUNICATIONS		Disposition:
773	Request of Bruce Broussard to address Council regarding Portland Public Schools and the budget (Communication)	PLACED ON FILE
774	Request of Russ Holcombe to address Council regarding special inspection (Communication)	PLACED ON FILE
775	Request of Janet Denton to address Council regarding terrorizing of private citizens (Communication)	PLACED ON FILE
776	Request of Brian Willis to address Council regarding domestic human trafficking (Communication)	PLACED ON FILE
777	Request of Richard L. Koenig to address Council regarding resolving differences with the City (Communication)	PLACED ON FILE
TIME CERTAINS		
778	TIME CERTAIN: 9:30 AM – Impose temporary surcharge on Business License Fees to provide funding assistance to public school districts in the City (Ordinance introduced by Mayor Potter and Commissioners Adams, Saltzman and Sten; replace Code Section 7.02.500)	PASSED TO SECOND READING JUNE 21, 2006 AT 9:30 AM

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<p>779 TIME CERTAIN: 10:00 AM – Direct the City Attorney to draft changes to the City of Portland Charter and other documents necessary for certain reforms to the Fire and Police Disability and Retirement System for referral to voters in November 2006 General Election; and confirm Council commitment to measure the success of the reforms to provide greater accountability to the residents of the City (Resolution introduced by Mayor Potter and Commissioners Adams, Leonard, Saltzman and Sten)</p> <p>(Y-5)</p>	<p align="center">36416</p>
<p align="center">CONSENT AGENDA – NO DISCUSSION</p> <p align="center">Mayor Tom Potter</p> <p>*780 Authorize an Intergovernmental Agreement with Centennial School District 28J for financial support of certain activities and programs (Ordinance)</p> <p>(Y-4)</p> <p>*781 Authorize an Intergovernmental Agreement with the David Douglas School District No. 40 for financial support of certain activities and programs (Ordinance)</p> <p>(Y-4)</p> <p>*782 Authorize an Intergovernmental Agreement with Parkrose School District 3 for financial support of certain activities and programs (Ordinance)</p> <p>(Y-4)</p> <p>*783 Authorize an Intergovernmental Agreement with the Portland Public School District 1J for financial support of certain activities and programs (Ordinance)</p> <p>(Y-4)</p> <p>*784 Authorize an Intergovernmental Agreement with the Reynolds School District 7 for financial support of certain activities and programs (Ordinance)</p> <p>(Y-4)</p>	
<p align="center">City Attorney</p> <p>*785 Amend the drug free zone civil exclusions to correct a typographical error referencing a state statute that has been amended and include specific state statutes for controlled substance offenses added by the 2005 Legislature (Ordinance; amend Code Section 14B.20.030)</p> <p>(Y-5)</p>	<p align="center">180213</p>
<p align="center">Office of Management and Finance – Bureau of General Services</p> <p>*786 Amend contract with WaterLeaf Architecture to provide additional architectural consultant services for the Justice Center remodel project (Ordinance; amend Contract No. 34437)</p> <p>(Y-5)</p>	<p align="center">180214</p>
<p align="center">Office of Neighborhood Involvement</p>	

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*787	Amend contracts with the five neighborhood association district coalitions for program operations to provide for FY 2006/07 funding (Ordinance; amend Contract Nos. 34248 through 34252) (Y-5)	180221
Police Bureau		
*788	Accept a \$26,000 Domestic Cannabis Eradication/Suppression Program grant from the Oregon Department of Justice for overtime personnel and operational expenses (Ordinance) (Y-5)	180215
789	Extend a contract with the Portland Business Alliance retroactively to provide police services for the Clean and Safe Program (Ordinance; amend Contract No. 50948)	PASSED TO SECOND READING JUNE 21, 2006 AT 9:30 AM
Commissioner Sam Adams		
Bureau of Environmental Services		
790	Authorize a Master Interagency Agreement between the Bureau of Environmental Services and the Portland Development Commission for Fiscal Year 2006-07 for improvements within designated urban renewal districts and selected housing projects (Second Reading Agenda 748) (Y-5)	180216
Office of Transportation		
*791	Amend a Memorandum of Understanding with Kupieco LLC to add a provision for assignment of rights granted, correct site area and clarify indemnification provisions (Ordinance; amend Ordinance No. 179355) Continued to June 14, 2006 at 2:00 PM (Y-5)	180234
*792	Amend contract with the Oregon Department of Transportation for the bridge improvements on the NE 33rd Avenue over Lombard Street and UPRR structure, Bridge 02484 (Ordinance; amend Contract No. 51830) (Y-5)	180217
793	Authorize an Intergovernmental Agreement with the Oregon Department of Transportation for Multnomah St. Sidewalk Improvements-Rose Quarter @ I-5 (Ordinance)	PASSED TO SECOND READING JUNE 21, 2006 AT 9:30 AM
794	Authorize Intergovernmental Agreement with Oregon Department of Transportation to provide funds for the design of the East Burnside and Couch Couplet Project (Ordinance)	PASSED TO SECOND READING JUNE 21, 2006 AT 9:30 AM
795	Grant revocable permit to NECN/Historic Mississippi Business Association to close N Mississippi Street between N Fremont and N Skidmore Streets July 15, 2006 (Second Reading Agenda 753) (Y-5)	180218

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Commissioner Erik Sten

Bureau of Housing and Community Development

- *796** Amend subrecipient contract with Cascade AIDS Project by an additional \$13,217 for the Supportive Housing Program and provide for payment (Ordinance; amend Contract No. 36173)
(Y-5)

180219

- *797** Adopt and authorize the submission of the Action Plan 2006-2007 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)
(Y-5)

180220

City Auditor Gary Blackmer

- 798** Certify abstract of votes cast at Municipal Non-Partisan Primary Election held in the City of Portland, May 16, 2006 (Report)
(Y-5)

ACCEPTED

REGULAR AGENDA

- 799** Urge Congress to pass and the President to sign the Military Readiness Enhancement Act of 2005 (H.R. 1059) which eliminates the Don't Ask, Don't Tell policy and adopts a policy of nondiscrimination on the basis of sexual orientation with the United States Armed Forces (Resolution introduced by Mayor Potter and Commissioners Adams, Leonard, Saltzman and Sten)

Motion to add Mayor Potter to introducing the Resolution: Moved by Commissioner Leonard and seconded by Commissioner Adams and gavelled down by Mayor Potter after hearing no objections.

(Y-5)

36417

Mayor Tom Potter

Office of Management and Finance – Bureau of General Services

- *800** Authorize price agreements for motor fuels for city vehicles and equipment (Ordinance)

**CONTINUED TO
JUNE 21, 2006
AT 9:30 AM**

- 801** Authorize contract with Scott Edwards Architecture, LLP and provide for payment for tenant improvements of warehouse for Police Bureau evidence storage (Ordinance)

**PASSED TO
SECOND READING
JUNE 21, 2006
AT 9:30 AM**

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Office of Management and Finance – Bureau of Technology Services		
802	Authorize an Intergovernmental Agreement and Task Order One with USDA Forest Service Mount Hood National Forest for Cooperative Frequency Usage (Second Reading Agenda 762) (Y-4)	180223
Office of Management and Finance – Revenue		
*803	Authorize an Intergovernmental Agreement with the City of Gresham for the Revenue Bureau to administer the Gresham Payday Lender Code (Ordinance) (Y-4)	180222
Commissioner Sam Adams		
Office of Transportation		
804	Authorize the purchase of SmartMeter receipts and related services for the Portland Office of Transportation and provide for payment (Second Reading Agenda 766) (Y-4)	180224
Commissioner Dan Saltzman		
Office of Cable Communications and Franchise Management		
805	Extend term of Southern Pacific Pipe Lines, Inc. franchise (Second Reading Agenda 768; amend Ordinance No. 155742) (Y-4)	180225
806	Extend term of Olympic Pipe Line Company franchise (Second Reading Agenda 769; amend Ordinance No. 162012) (Y-4)	180226
807	Extend term of Chevron Pipe Line Company franchise (Second Reading Agenda 770; amend Ordinance No. 164747) (Y-4)	180227
808	Extend term of Chevron USA franchise (Second Reading Agenda 771; amend Ordinance No. 164748) (Y-4)	180228
City Auditor Gary Blackmer		
809	Assess property for sidewalk repair by the Bureau of Maintenance (Hearing; Ordinance; Y1058) Motion to move to Second Reading: Moved by Commissioner Sten and seconded by Commissioner Saltzman. (Y-3)	PASSED TO SECOND READING JUNE 21, 2006 AT 9:30 AM

At 12:13 p.m., Council recessed.

June 14, 2006

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,
OREGON WAS HELD THIS **14TH DAY OF JUNE, 2006** 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; Linly Rees,
Deputy City Attorney; and Gary Crane, Sergeant at Arms.

<p>810 TIME CERTAIN: 2:00 PM – Approve the 9th Amendment to the Central Eastside Urban Renewal Area Plan (Ordinance introduced by Mayor Potter)</p> <p>Motion to accept amendment to insert a new No. 11 stating “the City Council considered materials forwarded by PDC, the Planning Commission and the input of the community and believes additional time and resources are required in order to eliminate blight and invest in economic development activities within the current and expanded Plan area” and a new No. 12 “the Council prefers an amendment which extends the last date to issue debt to August 26, 2018; increases maximum indebtedness to \$104,979,000 and expands Plan area to 688.1 acres, and renumber the last 2 existing clauses, and change the date in No. 3 from 2004 to 2006: Moved by Commissioner Adams and seconded by Commissioner Leonard. (Y-3; N-2, Saltzman and Potter)</p>	<p>Disposition:</p> <p>PASSED TO SECOND READING AS AMENDED JULY 5, 2006 AT 2:00 PM TIME CERTAIN</p>
<p>811 TIME CERTAIN: 2:45 PM – Consider the proposal of Fred Meyer, Inc. and Allende LLC and the recommendation from the Hearings Officer for approval of a Comprehensive Plan Map and Zoning Map Amendments for property located at 3500 SE 22nd Avenue and 3605 SE 26th Avenue (Hearing; LU 05-181402 CP ZC)</p> <p>Motion to adopt the Hearings Officer’s recommendation: Moved by Commissioner Leonard and seconded by Commissioner Sten. (Y-5)</p>	<p>ADOPT HEARINGS OFFICER’S RECOMMENDATION</p>
<p>*812 Amend the Comprehensive Plan Map designations and change zoning at 3500 SE 22nd Avenue and 3605 SE 26th Avenue at the request of Fred Meyer, Inc. and Allende LLC (Ordinance; LU 05-181402 CP ZC)</p> <p>Motion to accept amendment as directive E that Fred Meyer is willing to contribute up to \$10,000 toward the traffic calming solutions that are arrived at and agreed upon through the PDOT process with the affected residents and property owners: Moved by Saltzman and seconded by Commissioner Sten. (Y-5)</p>	<p>180235 AS AMENDED</p>

At 5:01 p.m., Council recessed.

June 15, 2006

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,
OREGON WAS HELD THIS **15TH DAY OF JUNE, 2006** AT 2:00 P.M.

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

Commissioner Adams arrived at 2:07 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Pete
Kasting, Chief Deputy City Attorney; and Gary Crane, Sergeant at Arms.

	Disposition:
<p>813 TIME CERTAIN: 2:00 PM – Adopt and implement the 122nd Avenue Station Area Study Implementation Amendments (Ordinance introduced by Mayor Potter; amend Title 33, Comprehensive Plan)</p> <p>Motion to accept amendment to Portland City Code 33.521.300 section B, subsections 4a and 4d: Moved by Commissioner Leonard and seconded by Commissioner Saltzman. (Y-5)</p> <p>Motion to accept amendment to Map 521-4: Moved by Commissioner Leonard and seconded by Commissioner Saltzman. (Y-5)</p> <p>Motion to accept amendment to convert all proposed CMd (Mixed Commercial) zoned areas in the 122nd Avenue Station Area to CXd (Central Commercial): Moved by Commissioner Leonard and seconded by Commissioner Saltzman. (Y-5)</p>	<p>CONTINUED TO JUNE 28, 2006 AT 2:00 PM TIME CERTAIN AS AMENDED</p>

At 4:18 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.

June 14, 2006
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.

JUNE 14, 2006 9:30 AM

Potter: This is the Portland city council and before we begin the formal part of our proceedings we have a question that we ask both the audience here and the audience at home who are watching this on cable television. And the question is this. How are the children? The reason we ask that question is because we believe that when our children are well, and they are taken care of, when they are well educated, they have a roof over their heads the rest of the community is successful as well. And so what we do is we have experts come in and talk to us about the state of the children. And this morning, we have two young people from southeast works, bobby arrington and melissa gonzalez. Could you please come Portland. Bobby is a recent graduate of southeast works program and currently attends p.c.c. part time. Melissa just graduated from the program at southeast works. So, bobby, why don't you go ahead.

Robert (Bobby) Arrington: My name is bobby arrington and I am here on behalf of southeast works, a nonprofit organization dedicated to youth. I live in a neighborhood full of children affected by meth use and other drugs. Everywhere I look it seems like there's an addict walking down the road with their children. I used to be one of those children and let me tell you from personal experience it's not fun watch your parents on a downward spiral. I dropped out of school to take care of bills and a pregnant girl friend, things that would have never happened if it weren't for the most ignorant drug, crystal meth. No one wanted to hire me because I was a school. I found southeast works. Kenny sparks pushed me to join the g.e.d. class. This was about a year half I dropped out. My girl friend has an abortion and I was no longer living at home. I pass might g.e.d. barely missing honors. I start college for summer term soon, something no one in my family never thought I would do just like the city commissioner randy Leonard when he came to southeast works as a speaker. Southeast works is a very successful school. In the year 2005 southeast works graduated 17 students and in 2006 50 students. So obviously you can see how much southeast works has grown. There is only one thing I can think of that would make southeast works even more successful funding. In the year 2005, southeast works had \$300,000 in funding for 17 graduates. And this year in 2006, \$250,000 for 50 which is almost three times as many kids. That doesn't make any sense. I would like to say southeast works is the great it is thing that ever happened to me. I have taken control of my life and no one can say differently.

Potter: Thank you, robert. Melissa.

Malisa Gonzales: Hi. Good morning. My name is malisa gonzales and as you know I am here to speak with you about our city of Portland and my opinions and views. I have lived in the Portland metro area my entire life. I dropped out of public school at the end of my freshman year. After that I attended mt. Scott learning center. In january of this year, I found out I was pregnant. I was very apparent to me I needed an education to be able to provide for myself and my unborn child. I now have my g.e.d. and work as an intern at southeast works at the front desk as the receptionist. Despite how far I have come my overall experience in the Portland public school district has been a real struggle. Throughout my years in p.p.s. I found my grades slowly slipping. Starting the year off strong with a's and b's and barely finishing off the year with c's, d's and f's was putting a huge damper on my education and my home life. Towards the end of my freshman year I had gone to my school counselor and asked her what I could do because I was feeling failing some of my classes.

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She basically said, unfortunately, you are not failing bad enough for me to help you. And something with that really struck me as wrong, that I could a student could be reaching out for help and not get it because my counselor had 560 some freshman also to attend to. I found school to be uneventful and it failed to draw my attention. As I got into the last few months of my eighth grade year I cut school at least once a week. As I became a freshman I skipped at least four periods daily.

After I was ready to drop out of franklin high school a counselor mentioned to me I might have a.d.d. I was tested and sure enough I have a small case of attention deficit disorders. It seems strange to me that in the nine years I was in the school district it was not once mentioned to me that this might be a possibility. Despite the common assumption most people with a.d.d. are very intelligent so I learn things very quickly. And spent most of my class time sitting and not being engaged to go beyond the form. If you sit in on a class you will notice teachers teach to the speed of the class. If you are behind you will be asked to stay after oral be assigned a tutor to aid you if you are struggling but what about those who complete their tasks and are ahead? Nothing. Nothing at all is being done. So individuals such as myself are left unchallenged and uninterested. As many, many students are currently falling through the cracks of our education system. Being unchallenged is just as important as being behind. I feel that if we were able to take some funding and use that to tap into programs such as southeast works, or even make teachers more aware of some programs out there or after school programs, that have tutors for people who aren't necessarily behind, but want to exceed and excel. I think that that would help us not let our children fall off the face of the public school system and it would keep kids off the streets and back where they belong, in a classroom. So i'm asking to you think about the kids you see ride go their bikes home from school. Think of the children playing on the playgrounds. The kids on the school buses and remember, every time that you see them, that they are this country's future. We are your future. Don't lose tomorrow. Thank you.

Potter: Thank you, robert, and thank you, melissa. I really appreciated your words. You did a good job. Let's give them a hand, folks. [applause] that's our future. [gavel pounded] city council come to order. Karla, please call the roll.

Adams: Here. **Leonard:** Here. **Saltzman:** Here. **Sten:** Here.

Potter: Here. [gavel pounded] community communications. Please read the first item.

Item 773.

Bruce Broussard: Good morning, mr. Mayor, commissioners. How we doing today. Today is flag day. And I have got symbols here. I have got my tie here and we really should expose ourselves in regards to the flag. The flag is very, very important. It's what this country is all about. Now, as part of that, gentlemen, saturday, this weekend for that matter is juneteenth. I understand the mayor, you will be representing the city friday night with a proclamation acknowledging juneteenth. Throughout the country people will be celebrating juneteenth. I will give you a handout about juneteenth and how the african americans participated in that piece. I would like to read one proclamation. This is the 140th year of juneteenth. There are people in Portland person, brought juneteenth here to Portland, Oregon. And she's going to be featured in the parade the buffalo soldiers will be leading and we will be very involved. And I know you are involved in some other parades but if you got any of the other commissioners assign to the parade on saturday I would be, we would be more than glad and I would give them one of the buffalo soldiers hats. Let me read this proclamation. Give the audience. Major general gordon granger led union soldiers into galveston, texas, on june 19, 1865, bringing the news the civil war had ended and that emancipation proclamation signed two years earlier had declared all slaves to be free persons. This remembers our country's belief in liberty and equality for every citizen and was a profound recognition each and every american has rights, dignity and matchless value. 140 years later the juneteenth observance continues to remind us of our country's founding principles of liberty and justice for all as we mark the anniversary of the end of servitude. We also recognize the many

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contributions of african americans to our culture. African americans have helped shape our country's character, enhanced diversity that makes america strong and contribute to the vitality, success and prosperity of our nation. Juneteenth is a day that stands for the dignity and equality of all citizens regardless of race so that all may share the blessings of freedom that america provides. George w. Bush, president of the united states. Again, like I say this is not political. It's a respect, if you will. He happens to be the president of the united states but the fact of the matter is we should all recognize the fact that this day is not just an african-american day. It's americans who happen to be, happens to be african-americans who are celebrating the fact that this country does exist and we are very proud to stand under these united states and american flag. Thank you very much.

Potter: Please read the next item.

Item 775.

Potter: Thank you for being here this morning. When you speak, would you please state your name for the record and you have three minutes.

Janet Denton: Yes, sir. Thank you. Sorry. I am janet denton. And saturday, may 20th, I was downtown Portland and it doesn't matter if I choose to go to the library, flower shop, or a jewelry store, to nordstrom's or a fur salon. It is my right as freedom, as a citizen of the united states of america. These rights were taken away from me that saturday afternoon by a group of young adults that I will call by definition nothing less than terrorists. Terrorist are those who use terror and fear tactics to manipulate the people to get their point across. The law clearly states that we all have the right of freedom of speech. But in a peaceful and orderly manner. As I was leaving the store more than half a dozen of these terrorists surrounded me and were yelling and cursing all kinds of garbage. I was trying to get away from them but they followed me a whole city block. There was no getting away from them, and I was being tormented, harassed and scared. The laws are very clear and understandable and I believe that you are more than familiar with the codes of disorderly conduct, menacing, stalking, and harassment, harassment which includes words and gestures of a manner intended and likely to provoke violent response. Finally, as I turned around to face my attackers and ready to defend myself, I pulled myself -- my cell phone out for police to help but due to their continued loud torments I could not hear what was being said on the phone. So I ran back to the only safe haven and that's inside the store. I am calling the police, I said. You don't have to. They said. They're right across the street, said the young man from the counter. My fear turned to anger: How could these police officers stand there and let this happen? I dashed out across the street to confront the police at the terrorists continued to torment and stalk me. The police said politely that they could do nothing and that the terrorists were in the law. And they could -- and that these people were doing illegal. Excuse me. I am a blond but i'm not stupid: A group of three young mothers with their babies and toddlers like me were engulfed with these terrorists with their continued profanities and garbage gestures. The moms were white in their faces with fear and confusion but the police did nothing. How are your children? This scene must have spoken very clearly to the mothers and all those that are around. Don't count on the police to come to your aid because they have been instructed by their superiors not to do anything. Guess who signs their paycheck? In trying to defuse the situation, another police officer even asked me, well, why don't you do your shopping on another day of the week? Ok. Let's all stay home from downtown on saturdays and go to the malls instead the irregularities don't stop there. I put in a report to the d.a. I learned that basically, the d.a. felt that because I had a way out, my complaint was not valid. The d.a. is now more like a monday morning quarterback. But where was he on that saturday afternoon? Hi. He could have told me that in the midst of all my fear and torment and harassment that I had a way out. The laws were broken and my rights were taken away. The u.s. is one of the most wonderful places in the world to live. And to work in because we live by laws that preserve and protect everyone's freedoms, not just the few. Not to be I go ignored nor reinvented nor to fit

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personal agendas for those who are in authority. The police and the government are to serve and to protect the people: Not to be used for personal gain and agendas. I also let you know I am not the only one. Mayor, you also have a letter from Mike Harvey, from Moses Lake Industries. And in it he is basically saying that when I visited the city last weekend for pleasure and to look for a possible new office location, that they were accosted by these terrorists outside the store and these people used profanity on them. And he cursed at his wife. And other things like that. He also approached the police. The police also said the same thing.

Potter: Ms. Denton, I have given you an extra two minutes and 40 seconds.

Denton: Thank you. I appreciate that very much. But, Mayor, I really hope that you would take my experience. I'm not the only one. This is not about a store. This is about private citizens and their rights to freely and safely walk up and down the streets and go to and from where they choose. These rights are being taken away from us by this group which are abusing the freedom of speech law. And I thank you very much for your time.

Potter: Would you please give your notes to the clerk. Thank you. Please read the next item.

Item 776.

Brian Willis: Good morning, Mr. Mayor, Commissioner. My name is Brian Willis. I am a health advisor for the U.S. Chapter of an international nongovernment organization that combats trafficking in children. Trafficking is a global phenomenon that. More than 1 million people are trafficked globally per year. While much attention is focused on the global aspect of trafficking, Map USA estimates a quarter of a million American children are trafficked in the USA. This creates serious health problems including infections with HIV and S.T.I.'s, unplanned pregnancy, substance abuse, mental health problems, violence including rape and murder which we have all seen in this city we have heard the express, think global. Act local. A first step in addressing trafficking in Portland is to declare our opposition to it in all its forms. I propose Portland adopt a resolution that we are opposed to all forms of trafficking in both foreign and domestic victims. Map USA is unaware of any other city in the United States that has taken such a step. We should show our leadership both in the city and the country by taking, by adopting that resolution. I hope that every member of the council will support this resolution to oppose all forms of trafficking of persons in Portland. Background materials for this proposal and resolution will be left with the clerk. Thank you very much.

Potter: Thank you, sir.

Item 777.

Richard L. Koenig: Good morning, Portland City Council, Mayor. My name is Richard Koenig. I want to thank the Mayor for the two minutes and 40 seconds granted to important items. Today I have got two brief agenda items. On June 1, my contribution to the celebratory moment was that I shared a letter from Chief Deputy Attorney General Peter Shepherd in which he specifically supported City Attorney David Woboril's landmark research on how the City of World doesn't have the authority or can't find it, to issue traffic tickets to the public. Mr. Shepherd's letter said that he could not order the Oregon State Police to provide a law that says everybody has to have a driver's license because the legislature hasn't created it. I had just received the letter from Mr. Shepherd and not having had time to make a copy for each of you, I promise to get it to you, last week I dropped off Mr. Shepherd's package. It included my demand for the law that says everybody has to have a driver's license. Also included was an assessment to the effect that if the law has not been created, then, the Oregon State Police have been perpetrating the same crime against the people that the Portland Police Bureau have been. I hope that you have enjoyed the read by now. Although I hear that may not have gotten to you. As for settling my claim against the city for inadequate police hiring and training policies, I have got an update. You will remember that I was arrested without cause by Officers Reeves, Madden and Woodward. Not totally without cause, I suppose, as I had called the police for support in serving subpoenas on the Attorney General's office. And will they

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came they arrested me and that did put a crimp in my action. Then officers Dahlberg and sergeant bailey of the northeast precinct went to the district attorney's office to try to get a warrant for my arrest for attempting to give them a police report about my false arrest. Tom, I hope that you will remember that I gave you a copy of the crime report, and I said, why don't you set a good example for the Portland police bureau by forwarding this through channels to the d.a.'s office. Well, i'm going to have to add a claim for my injury incurred subsequently because I found that you had not set a good example and when I went to deliver the crime report, I was arrested over there at the courthouse. For some as yet to be undisclosed reason. Now, if I find out that you had a hand in setting me up for that arrest, that will probably be a crime and I might have to get restitution from you directly. But if it was a mere oversight or neglect to set a good example for the police bureau it will come out of the city account. I'll keep you posted on that. Thank you, gentlemen.

Potter: That's it for communications?

Moore: Yes.

Potter: I would like to pull from the consent agenda item 787 to put on the regular agenda. It was put on consent by mistake. The commissioners wish to pull any items from the consent agenda?

Adams: Uh. Is brian here? Is brian from my staff here? I need to pull 791 and direct it back to my office. [inaudible] I still do. Thanks for checking, though.

Potter: Ok. Any member of the audience wish to pull any item from the consent agenda?

*****: I would like to pull 780 through 784 for a comment.

Potter: Please call the roll.

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

Potter: Aye. [gavel pounded] please read the 9:30 time certain.

Item 778.

Potter: Today our community will move one step closer in keeping the promise we made to our children in providing a quality education. A coalition of business, community, and political leaders have been working together to secure funding for our schools since last fall. To secure that future, the council is voting on a funding plan that calls for continuing investment in education from our community partners. This one-year funding plan includes \$10 million from the city's general fund on top of an approximately \$12 million currently spent on such programs as the school police and the sun schools. Our schools also need support from our business community to maintain a full school year. Reasonable class sizes and best practices targeted at raising achievement levels. Business people know better than anyone that an educated work force is the foundation of our economy and our future. The recent Oregon business summit and a poll by the Portland business appliance both named education as their number one priority. The council therefore will be reinstating the business license fee surcharge for the 2006 and 2007 tax years to meet the school district's request for funds. The surcharge rate will be approximately .3% for the 2006 year and in order to generate \$6 million for the school districts, the rate will then be adjusted for the second year and final year to generate a total of \$9 million over the two years. The surcharge will be in place. As the legislature funds our schools at a substantial level this -- if they fund it, then the surcharge will be reduced or eliminated in the second year. I would like to call up some people to testify on this. I would like to ask sandra mcdonough, president of the Portland business association, bob mckean, superintendent of centennial school district, barbara rommel, superintendent of the david douglas school district, katie larsen, chair of the parkrose school board, and bobby regan, chair of the Portland public school board. We will call them up three at a time and then we will ask the others to come up. Thank you all for being here and I appreciate you coming in to testify on this matter. Sandra.

Sandra McDonough: Thank you, mr. Mayor, and members of the council. Good morning. My name is sandra mcdonough and I am president of the Portland business alliance. Our members include about 1300 small and large businesses in the Portland metro area. I am here today to

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support the school funding package before you including the two-year continuation of the temporary business license fee surcharge. As you know, for the past four years local businesses have agreed to pay extra taxes for our schools. We have done this because as the mayor said, education and work force development is our top priority. And frankly we have done it because most business people are also parents and they have seen what the continuing budget constraints have done to our schools. The process we went through last fall and winter to fashion a school funding solution was long and it was not always easy. I particularly want to thank mayor Potter for keeping all of us at the table even when the talks got tough. This temporary funding solution is possible only because a number of parties came to that table. Under the leadership of my board member, show dozono. We had parents, teachers, school administrators, union representatives, business people, and government leaders there. Ultimately, the solution reflects that partnership with funding from the city, the county, and the business community. Also important was the commitment by Portland public schools to reduce their costs so that the budget gap we were filling was not as big as it could have been. My board has agreed to support continue wigs of the b.l.f. Surcharge for up to two additional years for a total of \$9 million. That means your Portland businesses will be paying extra taxes for schools for a total of six years and something approaching \$40 million. We also are very pleased that city leaders recognize the burden that this roll business tax puts on particularly small businesses in our community. Mayor Potter and commissioner Adams have committed to work with us on long term b.l.f. Relief for those businesses and we look forward to those discussions. Obviously, we can't continue year after year to come up with short-term fixes for our school districts. We need to continue the partnership we put together for this agreement to advocate for a long term funding solution and also school district cost structures that are sustainable over the long term. The alliance joined with the city and our school districts to during special legislative session last spring and we successfully advocated for a funding package that benefitted all Oregon schools. We know we will continue those discussions when the legislature convenes in january. Also we are prepared to work with all of our local school leaders on local funding measures. Our board, in fact, has said it will limit its support for tax measures in the fall to only school measures. The one exception they have approved is the funding for the police and fire, pension and disability fund changes that you will be considering later today. Again, thank you for your leadership on this important issue, and we encourage your support for this funding package.

Potter: Thank you, sandy.

Bob McKean: Yes, I am bob mckean, superintendent of centennial school district. Mayor Potter, members of the city council, thank you for this opportunity to speak to you. My remarks are to provide the context for what passage of the business license fee will mean for centennial school district and offer my thanks on behalf of all students who attend schools in Portland. During the past three years, the e-tax and business fee represent approximately 12% of Multnomah county school district's budgets. In short the e-tax allowed the school districts of the city and county to operate about the national per pupil average. We were able to offer a reasonable but by no means lavish set of services to our students. Sadly other districts in the state have not been so fortunate and children across state of Oregon have suffered. The loss of the e-tax coupled with the potential loss of the business license fee has been significant for all Portland and Multnomah county school districts. Centennial, for example, was slated to lose \$6.1 million of a \$53 million budget, again, approximately 12%. The immense loss of services that that implied was unacceptable. The program reductions, the class size increases that we were projecting to fill that gap were very significant. Mayor Potter, and the city, mayor Potter and the city council, this was the dismal picture we faced when you intervened. You recognized that this situation was devastating for students and ultimately the city of Portland. You vowed not to let children down and not to let the city of Portland down. Mayor Potter, you and your staff worked very hard to develop a regional

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plan to address the issue that would be acceptable to a broad constituent city. When that did not bear fruit and it was clear some form of another i-tax was not feasible you went to work with the city council. The effort that you put forth was instrumental in forging a plan that completed the bridge to the next biennium. Funds from the city budget coupled with the business license fee and funds from Multnomah county will allow centennial, for example, to operate at approximately a service neutral level for 2006-2007. Again, this is about at the national average. That means centennial students will have reasonable class sizes, and that they will have appropriate programs. I am deeply grateful to the citizens of Portland for their support for children. I am especially grateful to the business leaders and the businessmen for their support for children through the business license fee. I know it is burdensome but it is so needed. Mayor Potter, councilman Adams, Leonard, Saltzman and Sten, words cannot express my appreciation for you. You have chose tone support children in the future of our city when, sadly, others could not bring themselves to do so. Your steadfast leadership and willingness to collaborate are models of civic responsibility. I must tell you that it has made me proud to work with you, it has made me proud to be a citizen of, a resident of the city of Portland. Unfortunately, our work on behalf of children is not complete. We have a state school funding dilemma that remains. The impact of the funding dilemma for 2007-2009 will be cataclysmic physical state fails to take appropriate action again. Our attention must be focussed at solving this on the state level in the coming months. While that will not be easy I look forward to standing with you shoulder to shoulder as we work together for the children and the future of our city and state. Thank you again for the opportunity to address you.

Potter: Thank you, bob. Welcome, barbara.

Barbara Rommel: Thank you. Good morning. I am speaking in support of the ordinance today. As superintendent of david douglas school district -- for the record my name is barbara rommel. I want superintendent of david douglas school district. I have seen the devastating effects of unstable and less than adequate funding for education in the state of Oregon. I want to express appreciation to mayor Potter and the city commissioners for providing the leadership to buoy up the funding for k-12 public education. You acted collaboratively and the plan you developed is equitable and provides a temporary rescue in an effort to create a long-term solution. I would also like to thank the business alliance and other business organizations and the city's businesses for their contribution. The regional business plan for 2006 states globalization requires a much tighter linkage between education and business than ever before. Businesses cooperation in this funding effort is a major step to allowing that linkage to be strengthened. Thank you.

Potter: Thank you very much. And please thank for staff and your teachers for what they do.

Adams: Thank you all.

Potter: Thank you very much, sandy. When you speak please state your name and address for the record.

Bobby Regan: My name is bobbie regan and I am coho chair of the Portland school board. I speak today in support of the city ordinance. Since the passage of measure 515 years ago Portland public schools and school districts across the city, the county, and the state have faced tremendous funding instability. What has kept Portland public schools whole and vibrant during these years has been the generous support of local partners including the city of Portland and our business community. Going into next year Portland public schools faced a \$57 million shortfall. The result of a perfect storm of funding cuts coming together at once. Our local levee, capital bond, gap authorization, and deseg funds all expired at the same time and this month the Multnomah county e-tax expires as well. Taken together this amounts to a loss of about 25% of Portland public schools revenue from september 2004 to september 2006. Later this month, thanks to the herculean efforts of. Our community partners the Portland school boulder will adopt a budget that preserves teaching positions next year, reasonable class sizes, and a full school year. Some say it takes a village to raise a child. We know it takes much more. I would like to specifically acknowledge mayor tom

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Potter for your visionary and relentless leadership in the school funding battle at the state, regional, county, and city levels. And I want to thank each of you for your unwavering commitment to our kids and our community. I am also very grateful to the Portland business community which stepped up in 2003 with \$15 million to ensure a full school year for Portland public schools and which has paid a city business license fee surcharge for the past several years to support all city schools. The continuation of this surcharge will help all five Portland school districts weather the school funding storm next year. I especially acknowledge sho dozono, president of as sue man know travel and the Portland business alliance who clearly appreciate the vital roles schools play in educating our work force. On behalf of superintendent vicki phillips and the Portland school board I thank you for your dedication to our kids and our community and I look forward to working with you all during the next legislative session to ensure adequate and stable funding for all of Oregon's children. Thank you.

Potter: Thank you.

Katie Parcel(?): Hello. My name is katie larcell. I am the chair of the park rose school board many I am here, too, to thank mayor Potter and the city council for your persistent and compassionate leadership in this last year. You are going tope when us get through the post i-tax years. And I wanted to thank everyone who has contributing. Everyone is sharing in this plan. City taxpayers, county taxpayers, and even Oregon state lottery players. And today, we are here to honor the business community for stepping up also as they have consistently. I hope it makes them feel better that this tax is going to their number one priority for infrastructure, which is schools. And I hope it also helps to know that the money is making a tremendous difference in my school district, parkrose. In the 1990's, parkrose was, had to cut consistently. And until the i-tax came in, and then we were able to add 17 teachers, outdoor school which we had already cut, and we really splurged and bought math textbooks. And some technology. That has made quite a change in our district. In those three years, we have raised five of our six schools up at least one level on the Oregon report card. Two of our four grade schools are rated exceptional and we have been lobbying that they get a plus system on their report cards. Two were honored by the department of ed in the last three years for closing the achievement gap for low-income and minority students. One of these honored schools is a sun school. And so I just want to make the point that the money is making a difference. Thank you, business community, for stepping up and supporting all of Portland's children.

Potter: Thank you very much, katie. Thank you, bobbie. Please convey to your staff and your teachers how much we appreciate what they do.

Moore: We have robert butler and richard l. Koenig.

Potter: Mr. Butler, would you like to come forward?

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

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

*******:** Would you want do go first?

Richard L. Koenig: Good work, city council. My name is richard koenig. Good morning to the better business alliance and Portland educators and concerned citizens. How are the children? I would like to speak to that question. It's on the table here before us. We're all children and over the last several decades, maybe six or seven decades, we haven't been doing as well as the law requires us because under the guidance of our legislature, public schools are supposed to required, shall provide a course in constitutional studies commencing no later than the eighth grade and continuing through college graduation. We're not getting that. The constitutions that you folks swore to support and probably think nothing particularly about are not -- they're just not available to most of us. If you ask all the children, many of us have, who have grown up on the streets of Portland, what they know about the constitution, what their favorite constitutional provisions are, they will be hard

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pressed. I've even gotten an answer like this. Well, my freedom of choice. My freedom to wear the kind of clothes I want to. Well, that's a good start. But it's hardly the kind of education that one would hope to get from a course in constitutional studies every year. I think that one of the things that city council ought to do is provide that curriculum, that course in constitutional studies that's going to be administered to the Portland police bureau to the public schools as soon as possible. And I think that any additional funding to our schools ought to be tied to compliance with the law. Especially the law that requires a course in constitutional studies every year. Commencing no later than the eighth grade. Thank you.

Potter: Mr. Butler, could you give that to the council clerk. Go ahead and begin. She pass it out while you are talking.

Robert Butler: My name is Robert Butler, southwest 18th avenue, Portland, Oregon. This is my first visit underneath the current mayor and it's a pleasure to be here. My comment has to do with, well, first of all, I wish I had an ordinance to look at before I spoke. But we don't seem to have ordinances for the public today on this agenda item. But I will speak without it. I have given you a handout. It's curious that the increase of the business tax that you are proposing today just coincidentally is enough to eliminate the prejudice against small employers. That amount is enough that small employers and large employers could be on the same level playing field. I thought I would show what you happens when you have a prejudice against small employers with regards to this tax. You see in the typical example the small employer pays four, five times more apples for apples than the large employer. Now the math for this surcharge tax is the small employer pays 4.6 times more than large employers. That's called prejudice. Now, you just heard from what I call the Portland big business association, and they love this. This prejudice against small employers, they really love. I think it's wrong. I think this council should exhibit tolerance, tolerance not just for one special interest but all including small employers. And so I appeal to your morality to fix this and see how easy it is to fix. If you were to change this ordinance from helping small education to limiting prejudicisms, putting small employers on a level playing field, showing morality and character, how easy it would be and what a better example for our community. I am aware of the last proposal that came up about helping small employers out. I called it a sham. That was if there was some random events of surpluses in our budget that a few of those crumbs would be kicked out towards small employers. The prejudice would never be eliminated in that case and the promise unknown when it would ever happen. I regret that sham. And I encourage you to do something just as simple as this and do something that's more important than paying for teachers and that's exhibiting character, ethicalness and morality. Thank you.

Potter: Did you wish to respond to that?

Adams: We have actually, you have handed me this before, and there are some changes that we need to make to this absolutely. If you could turn around, though, and look back there and, Terry, if you could go over to Mr. Butler, because we went over with her this sheet, I think it would be useful for her to hear in detail the assumptions behind your sheet and I think --

Butler: Terry is extremely.

Adams: I think it would be useful --

*******:** My position for --

Adams: If I could just finish, I think it would be real useful to hear sort of some of her questions and comments on it as well. Thank you.

Butler: Thank you.

Potter: I would like to say in talking with the Portland business alliance in the last year that their single issue for them in supporting this was the city agreeing to provide some relief to small businesses. So I just wanted to correct the record on that part. Is that all the people who have signed up?

Moore: That's all who signed up.

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Potter: Please call the roll.

Moore: This is a nonemergency?

Potter: Ok. It moves to a second reading, doesn't it? Does anybody wish to have any --

Leonard: I would like to make a couple comments. I really have been struggling with this proposal, as you know, mayor, and I have spoke with certain members of the council about it. Not because i'm not in favor of making hard decisions here in raising revenue for the schools, because they need it. But because i'm trying to be consistent. And sometimes it's unpopular to be consistent. I voted against commissioner Adams' attempt to raise the deduction for small businesses because -- not because I didn't think he was trying to do the right thing, because there was no proposal to replace the revenue. I have one time since being on the council made a vote that I regret. And that one time was lowering the utility franchise fee from 7% to 5% without anybody identifying how we would replace that revenue. And I think that was a mistake on my part and I regret it. I'm not going to do it again. I think that this surcharge is reflective of the character of our business community and I appreciate very much them doing that. But I can't understand how at the same time they would like to see us reduce the business license fee when there are other more appropriate means to raise revenue. And for those who are used to hearing me talk on this subject, you will know what i'm going to say. For those of you who aren't let me point out that the obvious, I think, mistake the council has made over the last few years is not addressing updating our utility franchise fee agreement specifically people are turning off land lines and turning on cell phones, and if you are fortunate enough to live in the city of Portland you may pay nothing. If you live in san francisco, you pay 16%. If you live in seattle, you pay 21%. If you live in new york, you pay 20 plus%. Portland is the only large city that does not have a utility franchise fee for cell phones. And it's a revenue that, in my view, is unjustified in not coming into the city. And it would be a steady stream, I think, that I heard commissioner Saltzman mention once, and I agree with him, I have come to agree with him that it's a steady stream of revenue that we could partially dedicate to the schools. And, you know, I have been in elective office in one form or another for approaching 15 years. And there's a maxim in politics. Nobody wants to pay more taxes. The best tax is the tax somebody else pays. I get that. There is, I get no joy having been the point person on this council on this issue, believe me. But in my view the fairest tax is the one that is as low as possible, paid by as many people as possible. That is the fairest form of taxation. And this is not a surprise to anybody on the council. I have raised this issue during these discussions to fund the schools. I couldn't even get the question put on a poll with the other issues that the public was going to respond to. I think it's a mistake. In the long run, i'm going to reluctantly vote for this. I have toyed back and forth whether to try to make a point by voting no. I think my point might be lost in voting no so I am going to vote yes. I am going to explain that this week but when a proposal comes before the council here soon and I suspect it will, to reduce the fee again, I will support it if there is replacement revenue tied with it. I will not support reducing the fee. It puts me, I think, in an awkward spot, but I am going to try to maintain some consistency. I'm hoping that the council decides to take this issue up in the next year. It is important for the long-term fiscal viability of the city that we address the utility franchise fee update in our code. And I am going to keep harping on it until i'm gone unless we fix it. So thanks for give meek a moment to speak to that.

Potter: Other comments?

Adams: I just want to thank you, mayor, for your dogged leadership on this issue. Having been through three or four of these kinds of efforts over the past 14 years, it is always a rollercoaster. It is always incredibly difficult and getting more difficult. And I just want to thank you for all your efforts in this area. I also want to thank all the partners that were involved with this, the citizens group, led by sho dozono, especially. All the school board folks that have been part of this. I want to underscore this is being distributed on a per pupil basis to all the districts. And I think that that is

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the fairest way to go. So obviously, we have a lot of work to do in the next legislative session. And we'll continue to be there with you. Thank you.

Potter: Other comments?

Sten: I would say briefly I also want to thank the folks who have worked on this. This is, you know, it's tough every couple years to have to keep coming back in with another package but I think the business community has done that as have you, mayor. I would echo commissioner Adams's point we need to go back to the legislature and I want to build quickly on what commissioner Leonard said. We have to get to some structural answers to this. One of the things that happened when I was out campaigning was that what I was able to hear was almost many different groups discussing the same problem was kind of the blind people in the elephant type of thing. I think commissioner Leonard is right. We have to take a look at overall tax structure but I think there's a way to do that. I don't want to hijack this discussion and talk about it but I am very committed to trying to come back. My reluctance on commissioner Adams's resolution last spring and frankly the business alliance's tying - I didn't think the package was strong enough. But I think the principles are solid so I think we can get there and use this as a building block so maybe next time we don't have to have that choice. Which I don't think anybody really appreciates. I did also want to mention that I think the school funding issue actually we have to look at just a little bit bigger than money. And I think this is relevant to this approach. The council has undertaken an initiative to better link housing policy and schools. It's different with the different districts. You have some of the districts on the east side of Portland who are basically coming apart the seams because of too many students and you also have Portland public schools who are losing about 500 students a year and I see that integral to their funding problem as the actual cash from the legislature. And so if we can do a better job of tying our housing policy and helping families get housing that they can afford near the schools that have openings I think we could make better sense of this, too. I see a broader city planning, housing package tied to a more sustainable tax structure that supports business as the building blocks then go with the superintendent's reform. There's kind of three parts to this. I think if we can go down to the legislature and say we are united with the business community on a tax structure that gives their share to schools, we have more city focus on getting the students in there and we have superintendents who are working with their school boards and parents to do some additional -- educational reform and better, more efficient, even though efficiencies won't be enough for school funding, more efficient use of school dollars, we would like to think that's a package we can sell to the legislature many I'll stop there and look forward to supporting this.

Potter: Well, I want to thank just a ton of people because a ton of people have been involved in this process. And it has been going on for almost a year now. And we've looked at many different ways to try to fix this problem. And I look at our solution today as a stop-gap measure. That the real solution lies in Salem, Oregon. And that our job as business people, elected officials, schools, parents, citizens, is to make our voice known to the legislature. And to that end we have created a long-term school funding committee to begin to -- the discussion around the state with other communities in the state about what our responsibilities are towards our children and towards education. So I'm really committed to that. I will be taking some trips around Oregon talking to mayors about different issues but at the top of the list is school funding because I believe it's incumbent on each community. And this is an Oregon problem. Not a Portland problem. It's an Oregon problem. Each community has to I think come to grips with their future and what they want to do in terms of providing an adequate level of funding for education. So this is a good step. Thank you, Sandy McDonough of the p.b.a., small business advisory committee. The school districts themselves and citizens, this is something so important to our future. And I appreciate all your efforts. And I would also like to thank Kate Rafael. Kate, are you here? Just raise your hand if you are. You don't have to say anything.

*****: I'm hiding.

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Potter: There, you are hiding. Kate rafael is on my staff and is really taken this on for the mayor's officer to really continue to shepherd this process because it requires constant attention. It's not something you can give a few minutes to and walk away from. So, kate, thank you, thank everybody for being here. And this will be voted on next week so we will not be taking a vote today. So thank you all for being here. Please read the 10:00 p.m. Time certain.

Item 779.

Potter: Commissioner Saltzman.

Saltzman: Mayor Potter, members of the council, the discussion we are about to have on this resolution certainly synchs up well with how you start every council meeting, with how are your children and underscoring our responsibility to future generations. And even the discussion we just had now on the business income tax surcharge. The responsibility of those of us in elected office and residents of Portland throughout have to our children and to our grandchildren is very apropos for the discussion we are about to have on the reforms to the fire police disability and retirement system. Because much of this is about minimizing financial impacts on our children and our grandchildren. A year and a half ago the council started down the path of reforming the fire and police disability and retirement system or fpd&r. In february 2005 the council created an independent review committee, the i.r.c., to oversee a comprehensive analysis of the fpd&r system.

In january of this year the reform committee was created to proposal comprehensive reforms to the system. Today, the work of my fellow council members, the mayor, city staff, numerous citizens and representatives of the police and fire bureaus culminates in the resolution before us. This resolution directs the city attorney to draft changes to the charter to refer much needed reforms to the voters this november. The resolution is an extremely important step in this process and it has been introduced and sponsored by all five members of the council. The proposed reforms to the fpdp&r system are significant reforms to both pension and the disability system. The reforms are both fiscally responsible to the taxpayers and are fair to our public safety officers. In regards to the pension system, the city currently faces a \$1.64 billion unfunded property tax liability. If we do not correct this problem, we will leave our children and our grandchildren the legacy of an \$8 billion liability. We also risk the future of our city's financial health and the availability of city services if we do not correct this problem. This threat to the city's financial well-being, the you understand funded property tax liability, has been studied seven times. The first report, in 1982, a city club report. If all goes well now today, the voters will, for the first time in nearly 24 years, actually have an opportunity to weigh in on this matter. The reforms we will ask voters to approve in november corrects this looming problem by moving all new police and firefighters into the state pers service or the state pers system for short. In addition, instead of contributing to do social security system, the city would make a contribution to a 401(k)-like account for all new list and firefighter hires. By not contributing to the social security system, knows reforms will save taxpayers over \$387 million in 40 years. Equally important, the reforms to the disability system are significant and sweeping, and real. As the independent citizens committee indicated, the major problem with the current system is that disability experts do not make decisions in claims. Instead, a board controlled by beneficiaries of the system have been making decisions on disability claims. For the public to have confidence in this system and our city, independent experts in disability matters must make claims decisions. And the system cannot be controlled by been beneficiaries of the system. The reforms before council today ensure us the use of neutral and independent experts to make claims. The reforms also ensure that beneficiaries will no longer control the system. Moreover, the new five-member board of trustees will be not involved in any way in individual claims decision-making. In addition, these reforms bring the fpd into our system in the existing structure at the city ensuring more oversight by council, oversight that is so sorely needed. Another cost saving measure in this resolution is a provision to allow for subrogation. This provision will ensure that the city will be able to collect third party insurance payments paid out to injured firefighters and police officers.

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The final piece of this resolution is to guarantee that the city will provide greater accountability to the taxpayers regarding the fpd&r system, an initial audit of the system will be allow the city to measure the system for success as well as to provide guidance to improve the system. The public deserves a chance to vote on these reforms in november. To fix this flawed system and to ensure that we do not leave a legacy of debt to our children. And before I close I just want to note that the Portland, the city small business advisory council met this morning and has distributed to us the following memo which I would like to read. "today the small business advisory council voted unanimously to support the council's resolution to direct charter reforms to both the pension and disability portions of the fire and police disability and retirement system. The reforms outlined by council will begin to prefund the pension system. In addition the reforms to the disability system will make much needed changes to the claims decision-making process and completely revise the membership of the board of trustees. The adoption of this resolution is consistent about the small business advisory council's economic development position which emphasizes, among other things, the importance of a healthy business environment to encourage business formation, growth, expansion, and the creation of jobs." thank you.

Potter: Are there a group of people who are going to testify on this?

Saltzman: We didn't have anybody invited.

Potter: Ok.

Saltzman: I'm sure there's public.

Potter: Is there a signup sheet? Are there any public employee unions that have signed up?

Moore: Robert king.

Potter: Ok. Is someone representative from the fire bureau wish to speak? Thank you folks for being here.

Ed Hall: You're welcome. Good morning. We thought it would probably work best if we just one brief statement here but for the record I imagine ed hall, Portland firefighters association. Before robert got started I would like to take just a quick moment and make a personal observation, if you don't mind. And I think if you would ask me even six months ago I wouldn't have guessed that we would all be sitting here today as we are. Given the pretense under which this process started, there were more reasons to argue and fight than there were not to. And I just like to thank you, mr. Mayor, for providing the leadership and creating the opportunities for us to address real issues and find real solutions. And I would also like to thank your deputy chief of staff austin raglione for keeping the dialogue moving forward and I know that it was a genuine effort to find a fair solution. And I am grateful for that. Thank you.

Robert King: Good morning. I am robert king, president of the police association. And I am grateful to be here today to talk to you about this council resolution. Over 18 months ago the city announced its intent to reform the police disability, the fire police disability and pension system. And in case you don't know there's little that causes as much anxiety for police officers and firefighters than uncertainty about their disability benefits. Representatives from police and fire associations have participated in months and months of meetings, citizen review committee meetings, as you know city council hearings, and continuous meetings with our memberships. The result is the proposal that's in front of you today and we believe it's fair for the taxpayers and for the police officers and firefighters of our city. First we want to begin by thanking the citizen members of the work groups who gave considerable time and energy in this effort. We didn't always agree on every issue. But we did share a common goal and that goal was to provide a disability and pension system that was sustainable for the city and was fair to police and fire. And as ed said, mayor, we want to thank you for your commitment, for your leadership in developing a process that included a legitimate role for all the stakeholders. And that includes police officers and firefighters. As ed said we wanted to walk away from the table probably more times than I can count and I am sure there were others who wanted to do that as well. But it was your leadership and it was your

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tenacity that kept us at the table work together. The result is a proposal that meets the needs for the city and provides a system for police officers and firefighters that we can have confidence in and as you know that's all of that's very important to us. The proposed reforms, they bring more transparency, they bring more accountability to the disability system and they finally begin could go what we have all been talking about for more than a decade and that, of course, is prefunding the retirement system. It's not perfect. But we think it's a substantial step forward and a step in the right direction. So having said all of that I am pleased to announce that or to share with you that this last, over this last week the police union and the fire union, executive boards met and we both voted to support the city's resolution of proposed charter changes to the fpd&r system. And, you know, thin sort of work, you all recognize that it's an ever moving finish line. So we're obviously not completely done. And we look forward to working collaboratively with you and with other stakeholders as we hammer out the amendments for the charter over these next few weeks. Thank you.

Potter: Thank you very much, folks.

Adams: Thank you for your participation.

Potter: Yes. Will you please read the folks who signed up.

Moore: We have seven people who signed up. If you come up three at a time we have brian bugh, joe gray and don williams.

Potter: I see one. Are the other two folks here?

Moore: That was brian. Joe gray and don williams.

Leonard: If you would learn how to write clearer she could read.

Potter: Thank you, folks, for being here this morning. When you speak please state your name for the record and you each have three minutes. We will begin with you, sir.

Don Williams: Ok. I'm don williams, president elect of the city club of Portland. I preface my testimony by saying it echoes much of the information that was in "the Oregonian" editorial this morning. I think that's worth consideration. For more than a year of study the Portland police and fire disability and pension system, the city council is now in a position to remedy a problem of great magnitude facing the city the unfunded liability of the police and fire pension system has tremendous long term implications that have left unresolved adversely affect the economic vitality of our community. While the pension system jeopardizes the financial health of the community, the disability system suffers from flaws that have led to a history of abuse. I served on the 2006 city club committee research committee that study the system and I might add it supplemented 11 prior city club studies including the comprehensive report that was issued in 1988. 1988 report was issued when the unfunded liability approached almost \$600 million and states pay as you go is not a reasonable method for accounting or funding retirement benefits. The liability as you now know is 19.6 billion and if no action is taken, will continue to rise to over \$8 billion in 40 years. This unfunded liability threatens the city's ability to provide services to its citizens, jeopardizes its enviable triple a bond rating and ability to correct future revenues from serial levees that are compressed by the large part by the fpd&r's pry mass see over other levies. In fiscal year 2004-2005 Portland three levies were comb pressed for 30%. City club recognizes the work of the mayor, the commissioners, and their staffs for developing the proposed reform and the proposed resolution rightfully make the following changes. It moves new hires into officer prefunds retirement of new hires, removes fpd&r board structure to improve governance and reduces the influence of beneficiaries on the system. Decision makings authorities on disability claims to professionals in the field of claims managed. Removes the city auditor from the board of trustees making it possible for him to audit the fpd&r without conflicted of interest. And finally authorizes subrogation of third party claims. We recognize that the proposed solution is a political compromise and what some may say is a necessary and appropriate compromise. However, we are disappointed the proposed resolution falls short of city club recommendations in the following

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ways. First, the 6% iep contribution was not negotiated through a collect active bargaining process as it was with other public unions of the city. The additional 3% contribution was also not negotiated through a customary collective bargaining process.

Potter: Continue, sir.

Williams: Thank you. Disability claims were not moved into workers' compensation to bring Portland police and firefighters into parity with their counterparts in virtually every other community in the state and the proposed disability system does not address the structural issues that limit employees' ability, injured employees' abilities to return to work. Proposed resolution would not create a system that holds police and fire bureaus accountable for reducing injuries as workers' comp would. Finally, while reading the i.r.c. Report at beginning of the report I was struck with the statement that says, "this system is unique in that it may be the only pay as you go retirement and disability system at the local or state level in the United States." Oregon citizens are proud of the fact that we do things differently here but I would suggest that the intent of this slogan is to recognize Oregon's leadership in such programs as the bottle bill and responsibility land use planning. I don't think we want to be remembered for Portland's antiquated and unique public pension system. In conclusion, this is a complicated issue and as numerous reform efforts have previously shown, we are very pleased that the reforms that have been proposed thus far particularly the pension system are up for council review. Nonetheless on behalf of the members of the city club, we need to be cognizant that this may be our one opportunity for charter change in many years. I respectfully request that city council give further consideration to the short comings as listed below. Thank you very much for your leadership on this important issue.

Potter: Thank you, sir.

Joe Gray: I'm Joe Gray, president of the Portland retired firefighters. And I brought in a situation before you here a couple of weeks ago in regard to our widows, some of which my feeling is that are very poorly dealt with. We have a situation under the old plan, and the plan that was instituted in 1948 and ran through 1989, which our pensions were predicated on the salary of a first class firefighter only and that's as high as it went. The chief of the bureau would retire and the salary of a first class firefighter. That was supplemented sometime I think in the 1970's by the city council who put in a supplementary pension to take care of battalion chiefs, captains in the police bureau and so on. And up. But the, under the old plan, everybody retired as a firefighter, even if he was chief of the bureau, that was his retirement. So -- or police officer, patrolman. Their first class scale. When -- and the person who retired with 20 years service would have retired at 40% of their salary, and a woman who was married to that man or woman would be in a situation where they could be, get as little as 36% of the 20-year pension which was 40%. So that's -- and that gets down to a pretty minimal amount of money when it comes to trying to survive in this world today. And given the fact that they have no social security, the city has held out on social security, and saved millions of dollars in that respect, the cost of bringing these mostly women up to a situation where they would have 60% of a, of the retirement of a firefighter or police officer, it would be somewhat of a minimal cost. And the chart that they're on is strictly falls completely off the, it's almost a free fall situation. So because they are dying off at a rate, and within 20 years, it would be almost gone completely. So it's not a major cost factor and I was hoping that they would take that into consideration.

Potter: Thank you, sir.

Brian Bue: Mayor Potter, my name is Brian Bue and I am the principal with Bue Associates, a Portland based consulting firm and an active member of the Portland Business Alliance and I have been asked to make their statement this morning. It's my pleasure to do so. The Portland Business Alliance would like to begin by publicly thanking the council and in particular Mayor Potter and Commissioner Saltzman for bringing this reform proposal forward. After decades of studies, reports, committees and news stories on this topic we are very encouraged by this development and

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support the expeditious passage of today's resolution. The media and others have pointed out the seriousness and consequences of the threat posed by the fpd&r system in its current form. Alleged abuses and the grave fiscal danger presented by the pay as you go system pose a significant threat to the fundamental soundness of our city's finance. The potential for the fpd&r system left as, if left as is, to accumulate an unfunded liability is as noted earlier by the city club colleague, to exceed \$8 billion within 40 years is a problem that must be addressed immediately and the resolution before you today is an important first step. Members of the alliance are particularly concerned about the potentially damaging effect of the fpd&r system may have on voter approved levees if its problems are not addressed. The fpd&r levee which has primary mass see may require the city to use its general fund to cover its unfunded liabilities. The result would be that voter approved levees such as those for libraries, parks, or schools or revenues for other critical city services will be unavailable for their intended purpose. Additionally this would pose a very real threat to the city's bond rating further increasing costs for another important city projects. Earlier this year, as sandy noted earlier, the alliance board of directors approved a resolution stating it would not support other measures on the november ballot that would compete with schools. However, we recognize that the reform package before council today is so critical for the long term health of the city that yesterday, the board of directors approved a resolution to support fpd&r reform. The significant issues regarding the fpd&r system have been known for decades yet there has never been the political will to achieve substantive change. Today with when vote, the council is taking a tremendous step forward for the city, for tax payers and future generations. Thank you.

Potter: Thank you, folks, very much.

Moore: Next we have ron ledbury, chris smith and irwin mandel.

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

Ron Ledbury: My name is ron ledbury. Aim public interest advocate just like -- my primary objection is the use of the bonding authority to create cash, borrow money, to then ultimately give to private investment bankers to invest. That's the starting point of my objection. I would prefer that if you, when you propose a change to the charter, that you isolate the issues that need to be in the charter, that is, to repeal the current pension provision, you do not now need the authority in the charter to participate in state pers. You can do that today, even, if you are to create a resolution, you are going to join pers for new hires or all, for all employees, too. And make it contingent upon passage of the repeal of the current charter provision and one other thing, if the charter, the current charter provision is repealed, the, all the parties can go to court for a final decision with the court where I come up with a finite number and you have a, you know, you are going to then sign a release satisfaction of all claims, the city might have to all workers. The city, if you review the strunk case, the state court case, there's no continued right to participate in a pension program that have been in existence before. Basically the ospoa Oregon state police case was effectively repealed, except for those people who had been in that court case in 1996, when strunk came along, the only -- read the bomber -- balmer opinion. That would be the legal challenge. You are going to create effectively two tiers. It's the same problem we have got with tier one, tier two. You are going to create two tiers going forward. The current firemen and police representatives cannot represent those people who are not yet in the system because they have not yet been hired. I will make the same arguments I would about the Portland public school system that the tier, they would create a legal conflict of interest for anybody who, you know, because of the different tier status for pension system. Anyway.

Potter: Thank you, sir.

Chris Smith: Good morning. I'm chris smith. Here with the couple of different perspectives this morning. First, as a neighborhood activist, I am concerned about the current situation that threatens the general fund and threatens to compress important levees passed by voters for other

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services. Also here. As a city club member in support of the city club position, although unlike others you are going to hear from this morning, from city club I am not an authorized representative of city club on this issue. I will highlight the two key distinctions between the city club recommendation and what you are taking up today and that is the fact that our police officers and firefighters will not be in the state workers' compensation system a system that works quite well for other safety employees of the state and its unclear to me why we have to have that distinction and whether that distinction is ultimately beneficial to the city's overall health and then also the issue. I.a.p. Pickup which I believe as it was for other city unions should be the subject to a collective bargaining agreement. Thank you.

Irwin Mandel: Good morning. Irwin mandel. I'm here to, in general, support the city club position but not recommendation that the police and fire union members who are disabled go into workmen's compensation. The people I have spoken to who have been injured on jobs are not particularly enthusiastic about the workmen's compensation system doing a fair job for them when they are disabled. First of all, we have a set of employees for this city who, every morning, get up with the possibility of being injured on the job, if not totally fully disabled or even killed. They are not like any other set of city employees. And perhaps Portland should remain in the lead and be different on this issue where we take special care of those people, from whom we ask so much. I think you are right in having a special compensation system for these employees. Our uniformed employees who we ask to risk so much every day. Other than that, I would fully, as a city club member, I would fully support the city club's position on the accountability issues. That's all. Thank you.

Charles W. Rosenthal: I'm the Portland city council's representative on the fire, police, disability, and retirement board of trustees. Thank you for the effort invested by you and your staffs, particularly shannon callahan and austin raglione. I thank you for your attention to the reform of the fpd&r system. I think you've come through on your campaign promises to pay attention to the issue. And I trust that now that your attention has been captured you'll continue to focus attention on the system -- on systems for public safety officers' retirement and disability. Your current resolution is a major contribution to altering and improving the systems. You have filled the glass more than half full, and Portlanders should be grateful for that. But work remains for you to continue filling the glass, and I think that you may find myself and others before you in the future to assist you in filling the glass further. It is also noteworthy that a positive feature included in the resolution is that you plan to do assessments and evaluation as you go forward, and I look forward to seeing rather positive results from these changes. Thank you for your attention, and good luck.

Potter: Thank you.

Moore: That's all who signed up.

Potter: I'd like to have shannon callahan, judy tuttle, and austin raglione come up. I wanted to thank each of you personally for what you've done to make this happen. I really appreciate, shannon, you taking the leadership of commissioner Saltzman and making this happen. Judy, taking the committee through the process, and austin, at the end, being able to tie this together. I really want to say thank you to all of you.

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

Potter: Any comments?

Saltzman: I'd like to chime in on that too and really thank the three people in front of us, because they really played pivotal rolls -- roles in getting us to where we are today. Judy tuttle staffed the original independent review committee, and that's no small feat there. Shannon callahan came to my office, was it last january?

*******:** Seems so much longer ago.

Saltzman: She's only been with me for a while, and one of her first major assignments, after she helped draft the only -- first ordinance in Oregon to regulate payday lenders, then she was assigned

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the fpd&r issue. And it was at the same time that council had formed the reform committee, which was the second committee, and shannon was the facilitator for that committee, and I think she has the most dog-eared copy of the independent review committee report she's possible -- you could possibly see. She's read through it all. She really took her task -- her responsibility greatly to be an impartial person, even though she works for me and nosy have some views on this. But it was important that the process work, and I think that's the -- the process did work. And austin raglione stepping in also when the reform committee was formed and really sort of being the closer as well. Not to use a baseball analogy, the closer. She worked hard these last few weeks with shannon's backup to really get everybody on board, including all five of us, the fire and police associations, and many other people. So I really want to congratulate all of you for your tremendous accomplishment that you have brought us, the point you've brought us to today. Thank you.

*****: Thank you, commissioner.

Potter: Other comments?

Adams: Well, thank you all very much. You did the impossible.

Austin Raglione: I'd like to just say one thing. My name is austin raglione. I joined the city of Portland in 1981, so I was here in 1982 when the first report came out about our unfunded liability and the problems we would face down the road. And here we are, 25 years later with the city council that has taken the courage to move forward on this and commissioner Saltzman, who has made this a priority for his administration, it's not sexy, it's not glamorous, it's tedious, sometimes it's incredibly boring, but you have done something really, really important for the citizens of this community, and I appreciate that. Thank you.

Judy Tuttle: And judy tuttle, for the record. Since austin opened the door for us to speak, I wanted to say also that i'm impressed this is the way democracy is supposed to work. We had a citizens' committee that did their work. It came back to staff for refinement and for review, and it went to council and council is making the decision that needs to happen to affect this change, and i'm just pleased to see that kind of democracy and action can work.

Potter: Shannon, you get the last word.

Shannon Callahan: Thank you for your compliments. I guess it's your turn to vote now.

[laughter]

Potter: Thank you, folks. I just wanted folks in the audience watching this to know that there are people behind the scenes that do tremendous work for our city, and I think these folks exemplify that. There's no more sign-up?

Moore: Right.

Potter: Please call the vote.

Adams: When we began this process, I characterized the current system as broken, and I think this gives us the best opportunity in a generation to fix it. I want to add to my thanks mary jo markle, who attended almost all the meetings on my behalf, and brian huckabee who replaced her the last couple months for the 11th-hour work you did on this, I appreciate it. I really want to underscore my thanks to our partners with organized labor. This moving forward is going to be a challenging campaign, and it would have been very difficult without your support. It will still be challenging with your support. And I think it's absolutely the needed reforms, but we still have a lot of work cut out for us. So more work to come. I want to thank commissioner Saltzman and the mayor for their leadership. I acknowledge the great work from commissioner Leonard and commissioner Sten, this has been a really good team approach, led by Saltzman, commissioner Saltzman, and mayor Potter. Aye.

Leonard: I wouldn't pop the champagne corks yet, in many ways this was the easy part. And I say that as one who has been through this process before. If you found yourself advocating for these changes, then I expect you to be involved in campaigning for them to pass. We need to make sure that we have a coherent campaign strategy, a campaign structure, for which I will volunteer my

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efforts, if asked. Because we need to now go out and have the voters adopt what it is that we're saying we believe needs to fix the system. And it's one thing to sit at council and debate these issues, and I think that you have it right, believe me, it is another out in the community to explain to people why you want to increase their taxes to save their grandchildren money. I've been through this debate before, and I'm -- I think I understand what it is that the voters are going to need to hear, and I hope I have the opportunity in the upcoming months to help put the package together that will convince the voters to vote yes. Because notwithstanding some of the comments up here, there's nobody that wants this to pass more than I do. I want it resolved, behind us, so we collectively but I personally can move on from this issue. I'm tired of hearing both sides. I am tired of some of the hyperbole that associates itself with this issue, and I think it's time for the voters to weigh in, pass this, and we move on as a community. I think it is fair, it is balanced, it is a package that represents the best of what compromise has to offer the community, and again, I hope I'm not picking up kind of a celebratory message here today that people will now walk away thinking the work is done, because the real work is just beginning. One more time I would say that I hope -- I would say that I hope I have the opportunity to assist in whatever work needs to be done from now to November to get this to pass. Aye.

Saltzman: Well, first of all, I'll respond to commissioner Leonard with a resounding yes, we take you up on your offer. We need your help, we need every member of this council to help educate our public, and do it in a smart way, to get their support. But I want to thank the Portland business alliance for their support, thank the fire and police associations for their support, the Portland police commanding officers association also for their support and participation. The many citizens who participated, both in the independent review committee and the subsequent reform committee, and all the members of the council and the staffs they assign to the reform committee. It was a lot of work, and I think it worked well. And then finally I want to acknowledge mayor Potter for his political leadership on this issue, because of his leadership, dedication, and perseverance we're in the position we're in today with the support of the council and the key stakeholders. So I'm very pleased to vote aye.

Sten: I think it's mostly been said, but this is a good reasonable compromise. I've met with all kinds of different sides, and in many cases you have reasonable disagreements. I think the members are very unwilling to take a risk with systems that are not proven, so I think this gets us a huge step down the way towards the prefunding, it majorly reforms the disability system. If the reforms are not successful the option of going to workers' comp does not go away, but if do you to workers' comp and it's a mistake from the way our members are treated, then it's hard to go back. So I think this is the right way to go about it. And I think what we're going to see is another competing interest, which is today's taxpayers versus the ones down the road. So I think we're going to have to -- it's actually unamerican to invest in the future this much, and we're going to be making a joke, but we're going to need to show people moving their taxes up now is going to serve the city's interests. That's why it's so remarkable and in part because I think it was a contentious argument because people were honest about their concerns, both on process and substance along the way, we've got to a point where all the players are supporting this move forward. And I think as commissioner Leonard and Saltzman said, that gives us a chance to pass to it the ballot. I want to thank all the people who have worked very hard on it. The city club committee was terrific, they did a wonderful job of keeping this thing focused on the facts. So I'm ready to work with everyone, try and get this passed. I believe Portlanders will pass it and I believe it's not a sure thing. So we better get to work. Aye.

Potter: You know, this is a moment us decision for the city. 58 years ago this system was created. We've recognized the problems over the years, and today we're taking the action that I think is necessary to preserve the system to ensure that the taxpayers are considered -- are treated with consideration and so are the employees of the police and fire bureaus. I think this is one of the

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more significant votes that I will take in my tenure as mayor, and I think that even though we're not supposed to be celebratory, whatever it's called that commissioner Leonard said, I feel good about what's happened today. We have never come this far before. But agreeing with commissioner Leonard that now, this is something we need to go out and talk to the public about in an honest and open way so that we can get the support and the passage of this at the charter review in november. So many people have put work into this, but this started with dan Saltzman. And I think dan Saltzman does deserve the credit for the leadership, and if he were to do nothing else for the remainder of his tenure, he will have done a lot. I know he'll do more, but I don't think there will be many things that will top this in terms of how it will impact the public treasury, how it will impact our employees. And i've already said thank you to shannon and austin and to judy, but also to our unions. This is -- has been a difficult process, and the unions agreed that they would stay in this throughout the discussion until we came to a conclusion, and they did. And it's been difficult for them, it's been difficult for many people. But I wanted to thank personally robert king, I also wanted to -- and your executive board -- and the fire bureau in the back are bob lemon and ed hall. Is paul cora back there? And perhaps at home watching, jack fender, the president of the fire association, you folks have been tremendous. The i.r.c. Committee members, I don't know if jeff, judy are here, thank you very much. You folks started something really important, and I think it's culminated in this. The Portland business alliance. Any one of these groups, if they had chose to fight this it would have been a very difficult situation for all of us. But instead they chose to come to the table and to reach an agreement. If you were to ask any of us, is this a perfect agreement? I don't think any of us could say that. It is a fair and reasonable I think it certainly is. And i'll take a phrase from the city club statement today, but change it around slightly. I think this is a necessary and appropriate compromise. And this is necessary and appropriate because it benefits our community, it benefits our police and firefighters, and I think that it will fix the major problem that we have in terms of our unfunded liability, I think that it will stem significantly the amount of money that is going into disability already fpd&r has seen some dramatic changes in the dollars that they're spending on disability, and I think they're going to continue to see that. So -- and i'd like to thank the city club. You folks put a lot of time into this, and I really appreciate that. Your report was excellent. I know that we looked at and borrowed much of it, and that there are still differences, but the fact is that I think this is something that will benefit us well into the future, and every wednesday I talk about our children, in this case i'm talking about our grandchildren. In 40 years from now the city council that is sitting here and perhaps only randy Leonard will still be here -- [laughter] I couldn't resist that, randy. But those folks I think will look back and take stock of what happened on this day and recognize that it was an important first step. Thank you all, and I vote aye. [gavel pounded] we're going to now move to the regular agenda. I'd like to pull item 800. I'd like to have it come back next week so that we can have both the report and the ordinance read at the same time. And commissioner Adams.

Adams: Mr. Mayor and Karla, item 791 is I guess folks are working on resolving the remaining issues on 791, so if I could amend my earlier request and have it held over to this afternoon instead of sending it back to my office.

Moore: I can read these titles and we can act on them.

Item 800.

Moore: Authorize price agreements for motor fuels for city vehicles and equipment, item 800. That will be continued to june 21, the morning session.

Item 791.

Moore: Item 791, amend a memorandum of understanding with kupieco llc to add a provision for assignment of rights granted, correct site area, and clarify indemnification provisions.

Potter: You'll have the people here this afternoon to discuss that? Hearing no objection from the council members, we'll do that.

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Moore: That's passed to the 2:00 p.m. session?

Potter: Yes.

Moore: Ok.

Potter: Please read the first item.

Item 799.

Potter: Commissioner Adams.

Adams: I want to thank the council for their consideration of this. This sets forward the city council's outlook on this important issue. There are thousands of men and women who currently serve in the military that labor under these provisions of so-called don't ask and don't tell. As you will hear, not only are they extremely unfair to the individuals, but they limit the effectiveness of our military to protect this country. So this is a great opportunity, and -- in gay pride month to highlight this issue, and there have been some folks who have been working hard on this. So if three of you would come forward --

Potter: Thank you, folks, for being here. Start to my left and your right.

*******:** If I could start --

Potter: Oh, ok.

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

Potter: We'll start in the middle.

Frank Dixon: Thank you, mr. Mayor, commissioners, and particularly commissioner Adams for helping us file this resolution and bring it to council for your approval and support. My name is frank dixon, I live at 2205 northwest johnson in Portland. I'm here today in my capacity as the president of the glbt caucus of the Oregon democratic party. We've been working and collaborating with the service members legal defense network and the military education initiative to bring this subject back into public light, and to garner support for congressional action to remove the don't ask, don't tell policy, which is clearly discriminatory and means that american citizens serving in the military are not equal under the law. I've got a couple folks in the audience that won't testify today, kristin fleckinger is our caucus vice-president and serena boston is the constituency director for the democratic party that have also worked hard on this issue. When I was a young neighborhood president in 1986 and there were pews in this chamber and we faced east rather than west, I had a lot to fear from going into a council with commissioners from the neighborhood association perspective, but I also at the same time was serving as the commander of the drill sergeant for the 104th division. And I have to say during those days I lived in daily fear that someone would notice myself and my partner dan at a political event, and I would be i.d.'d as gay and subject to punitive action under military law. This is something that we need to work to remove. I won't go any further in terms of the background on this resolution pending before congress, other than to say it makes sense from an economic standpoint, it makes sense from a national defense standpoint, and it surely makes sense as you will see from the two folks here to testify from a human rights standpoint. The earliest oral history book of service members, gobot service members and their stories was published, she's here, the author is here with her son. On my left is fred fox. He is former lieutenant in the united states army. He served in Mogadishu in what was later to become a book and movie. He's served in connection with operations in afghanistan and iraq. So with that said, i'll turn it over to fred.

Fred Fox: My name is fred fox. I live at 1812 northwest flanders. One of the things about this policy when I first went into effect was that it made the claim that having openly gay and lesbian service members under your command undermined leadership. I spent just under 12 years in the army, so I have a little bit of army leadership experience, and it's kind of insulting to me. Not necessarily as a gay man, but as a leader. The concept that i'm so incompetent as a leader that if I have a soldier who is gay or lesbian under my command, I cannot lead them. My very first squad had a soldier from compton and a soldier from what he referred to as klan county, tennessee. I'm

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not a miracle worker, but somehow I managed to get these two people to get along, and we were quite a team. So I can't imagine that would be any more challenging than having an openly gay soldier serve underneath me. I recently had an experience, I went on a tour of the nation and we were trying to reach out to the red states to discuss this issue. It was pretty -- it was a pretty interesting experience because we would encounter people who were very resistant to what we had to say. And they would come and they would hear us speak and one particular evening sums up what I think the tour accomplished, and the issue at heart. It was in tennessee, and we had a group of students from a local bible college came to hear what we had to say. And they were strongly opposed to us at the beginning, and an hour and a half later after we were done discussing, one of them said to me, something along the lines of, "i still hate gays, but I see no reason why you can't serve." once again, i'm not a miracle worker, but if I can do that in an hour and a half, I don't understand what the problem is of letting openly gays and lesbians serve. The army, it's a reflection of our culture, but it's also a leader of our culture. It was the first federal organization to integrate in the 1950's for the korean war. Blacks and whites serving side by side. It was quite shocking at the time and supposedly it was going to undermine leadership and destroy the army. That didn't seem to work. So I don't know, we'll have to try this experience, i'd like to think, and see what happens when openly gay soldiers serve and see if that one destroys the military. Finally, I guess the only thing I want to touch on is when I came back from the tour i'm finishing up an education program and i'm student teaching, and I came back from the tour and it just so happened the classroom I was in was doing a unit on equity and equality and privilege and rights. And they were studying the history of laws and legislation that have limited and taken away people's rights. And it was kind of interesting the way they dealt with women's rights to vote, and, you know, segregation, civil rights movement in the 1960's. They were really, "oh, that's interesting, it's ancient history. How interesting that people felt this way." and when the don't ask, don't tell policy came up, they were outraged. They couldn't believe that they were living in a time like this ancient history that they had just studied of the 1950's and 1960's. And one of the students -- in fact we had a debate, and I had to take the side of defending the policy because nobody else in the classroom wanted to. So that was a fun experience too. One of the kids finally summed it up in about 20 minutes and he wanted to know, he said, "if a classroom full of middle school students can figure out this is wrong in 20 minutes, what's the problem? Why are we debating this on a national level?" and that's what this resolution is going to help do. It's going to say, look, this has been going on for a decade now, why are we still dealing with this? It doesn't work. And finally, I just have to touch on this, because this is a personal thing for me. But in the part where it talks about the 10,000 service members that have been discharged in the first 10 years, and they keep saying this, I was an infantryman, and it says 800 of critical skills, of 322 were linguists, you know, that's a great critical skill, but without us the linguists wouldn't have a job. To say that only, let's emphasize 800 are critical skills, let's not label, let's just let people serve. And do it right. That's all I have to say. Thank you.

Dr. Mary Ann Humphrey-Keever: Good morning. My name is dr. Mary ann humphrey keiver. I haven't been on this side of the table before. It's nice to see us in a different situation than partying. Anyway -- [laughter]

Adams: More about that later.

Humphrey-Keever: Yes. I served in the military, I did write the book "my country, my right to serve," and it is a history of gay and lesbians from world war ii to the present day. At that time it was the late 1980's. And I don't want to say i'm here to represent the souls of the many gay and lesbians that went through the military 100 years ago, because this has been going on forever. I will comment on mr. Fox's comment, when he did say that the military was integrated in the late 1940's, early 1950's by president truman, the sad thing was, they were integrated into the military so that blacks and whites served together, but unfortunately, when they came home wearing the uniform of the u.s. Military, they were still without civil rights in this country. So we still had a long way to

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go as far as giving civil rights to blacks, even at that time, until the 1960's. So that's kind of, you know, double-edged sword. Yes, they could serve in the military, but they still had discrimination when they came home. Gay and lesbians have had discrimination since the dawn of time, through death, through burning, through harassment, through jail, and what I wanted to do today was say that in my book I think personal stories really touch your hearts and your souls. And I think that's what i'd like to do, is tell you about a couple of stories that really touched my heart when they were told to me when I did my research. I interviewed over 150 people across the entire united states, men, women, all services. I did have the opportunity to interview, almost an opportunity to interview an admiral's aide from world war i, but believe it or not, in 1987, he was still worried that someone might find out that he was gay and in the military at that time, and didn't want to tell his story. That's how much we fear from the military, even after they've been out for many, many years. But one woman went into the military for some -- she's from south carolina, and the only reason she went into the military, she came from a very, very poor family. She had very bad teeth, and she wanted to go into military because she heard they had a great medical plan. So she went in thinking she could get her teeth fixed. Indeed, she got her teeth fixed, but in the end she really got them kicked out, because while she was in the military, one of her other service members decided he was going to prove that she wasn't gay, so he raped her. She became pregnant, and was still expected to stand duty in her unit. Her drill instructor said, "you do not get out of duty simply because you're gay and you're pregnant." at eight months when she should have been in the hospital because she was experiencing other kinds of issues with her pregnancy, he made her stand duty. Her full time. She ended up going in the hospital, ended up having a miscarriage, and -- not a miscarriage, a premature birth, and the baby died about five days later. When I interviewed this young woman, granted, her teeth were fixed, but her soul was destroyed. Because she was still missing that child that she lost because of how the military treated her. I didn't expect to do this. This was a long time ago. So that's one example. So she was still feeling this three years later, that how she was treated simply because she was gay was the result of a loss of her child and she was still recoiling from all of that. Another man who had gone through the military academy was a captain in the army. He was arrested because he was gay, and he was sent to leavenworth prison in kansas. He spent four years in prison simply because he was gay. And that was the only reason. When he came out, I interviewed him, he still had seven years to go because he was now a felon and he had no rights as a citizen, even though the only reason he went to prison was because he was gay. This particular resolution that we're trying to pass here is simply to say, you are gay, it doesn't make any difference, you should be able to serve honorably, you shouldn't have to serve if there's a war on, and now we'll use you because we'll use your blood, but in peace time you'll get kicked out. There's no reason why if you can serve in wartime you should also be able to serve in peace time. The law should be eliminated, we should all be able to serve equally. Fortunately more of the population of this country feels that gays and lesbians should be able to serve openly, and I think that's where we're going with this. We need to educate still further, but it's getting more on our side, and that's why we're here to say, we want you to vote for this, we'd love to have you vote for this, we'd love to have Portland be a city that says we stand up for everyone, and I appreciate your time. Thank you very much.

Potter: Thank you very much, folks.

Adams: Thank you.

Potter: And thank you for your service to our country. It's appreciated by many people.

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

Potter: Are there any people --

Moore: No one else signed up.

Potter: Please call the roll.

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Adams: I want to thank you for being here today. It was -- we had a community meeting on this issue two months ago after hours, and most of the folks in the room, they're probably over of 60, 70 people in the room, working people, so they couldn't necessarily be here today, but understand that the people that we heard from today represent tens of thousands if not more just in the local area. Thank you. Aye.

Leonard: I can't be more disappointed than to have a president and congress who exploit this issue when they see that their failed poll advice going to hold them accountable in november. And there's no other conclusion a rational person can come to when the president devotes his time and energy in the u.s. Senate, debates issues relating to what I consider to be fair and equal rights of our gay and lesbian members of -- citizens of the united states. This issue to me is a no-brainer. I was disappointed at the time when bill clinton didn't do in his heart what he knew what was the right thing, and remind the military they work for him, and he not them, and just order that the rule banning gay and lesbian men and women from the military be rescinded completely. I think that in many ways him trying to reach a compromise with them empowered them, unfortunately, and will it's one of the few things that I was disappointed about with president clinton's presidency. I'm happy and proud to vote for this. But I also think, I was sitting here tonight whether or not to say this, but I think it's important to say. Commissioner Adams has been a strong proponent of first thursdays -- proponent of first thursday art programs at city hall. I've been -- i've attended each one that i've been in town, so I think i've missed one since they've started. I excuse my staff to go home and I don't stay for any reason other than I thoroughly enjoy them. And what I enjoy most, which won't surprise many, is not so much the art as the people that come that tell me over and over again that they had never had any reason to think they would come to city hall but for these celebrations. And I was really deeply disturbed at the last first thursday that we had that was dedicated to gay and lesbian art when commissioner Adams relayed to me some of the horrible emails he got. Unfortunately not just from the public at large, but from some city employees regarding our dedicating that first thursday to those members of our community. We have work to do here in Portland. I mean, we need to send this to Washington, and we need to make our views strong, but each of us here need to send clear messages to those in our bureaus that work for us that we will not accept those kinds of sentiments or remarks directed towards other human beings. Unfortunately there's a long history in the united states of discrimination, and not just towards gay and lesbian men and women. I harken back to just the second world war and the indies criimi nature rounding up of everybody who was of japanese ancestry, whether they were born here or not. And you need only go back to the civil war, and before that, women were considered second class citizens. So there's a dark underbelly to some of the culture in the u.s. I'm not sure the nature of it, but this is one way for at least this city council in this part of the united states to make a statement that we will not accept that kind of discrimination against our citizens. Aye.

Saltzman: The lesbian, gay, and bisexual americans have had a long and distinguished history in our military. Some of which we know, most of which I expect we don't know. But they have been in our military for -- since the military's inception, I would go so far as to say. And there is absolutely no reason why they should be dismissed, discharged because of their sexual orientation or preference. And I think this is worth noting that one clause in the whereas states that america's closest allies, including the united kingdom, canada, australia, and israel, allow lesbian, gay, and bisexual service members to serve openly in their militaries and the u.k. Now actively recruits these service members. I would think nobody would say any of the militaries of these countries are second to anyone, and if we are going to continue to have a first class military, we need to change this don't ask, don't tell policy and urge our congress time prove the military readiness and enhancement act. Aye.

Sten: This is -- it's hard, a matter of human dignity and human rights, really, but I think also it's another place where pragmatically our country is hurting itself. We need everybody who's ready to

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serve, and we also need to have a military where people are able to protect each other and support each other, and that's the kind of society we need. This is one where I know change comes slowly. Would I have thought we would have made more progress on this. I'm ready and able to join and help in any way I can. I think this is a very important statement. I want to thank the team of activist who's brought this in, and really to the military public servants, because I think it's something that's incredible what you've done. I think you've shown incredible bravery in addition to the bravery of serving in the forces by willing to come forward and talk about your experience. And I think we'll be a stronger nation eventually because of it, and already are because we're having this conversation. It's a pleasure to vote aye, and i'm ready to keep working.

Potter: I want to thank the leadership of commissioner sam Adams on this, and the reason there's not five people supporting this is it got to my office late and I didn't get a chance to review it. If I had had, would I have signed on as one of the council sponsors. For that I apologize to you folks.

Leonard: I think -- can we add that by unanimous consent?

Moore: Yes.

Potter: Let's do that.

Adams: Second.

Potter: All those in favor? [chorus of ayes]

Potter: Now it's five.

Leonard: Nothing to apologize for.

Potter: I want to thank you folks for coming in today. There still remains so much to be done, but I think in Portland I want you folks and all of our gay, lesbian, bisexual, transgendered community to know that this city welcomes them. And this sunday I think you can see the effects of that at gay pride march. Myself, commissioner Adams, and perhaps others of the commissioners will be there to march alongside of our community to show support for them, but also to show that we honor them and we respect what they do in terms of their contributions to our community, and their value to us as a community. So thank you for staying in the fight, because it is -- it's a civil rights issue, and as I tell my daughter, when you're reading the history books, it's one page at a time and it goes fairly quick. When you're living it, it's a decade at a time. And it seems like it would take forever. But it won't. My hope is in my lifetime that we can fundamentally alter how people think about this particular group of people who are valuable citizens and contributors to our society. And how we accord them the rights that the rest of us tend to take for granted. So thank you for bringing this forward. Thank you, commissioner Adams, and thank you for the city council. I vote aye. [gavel pounded] I would like to bring up item 787. Is there someone from o.n.i. To address this issue?

Item 787.

Moore: 787, amend contracts with the five neighborhood association district coalitions for program operations to provide for fiscal year 2006-07 funding.

Potter: I'm hopeful someone from o.n.i. will show. Do you want to say a few words? Please state your name for the record.

Sylvia Bulger: Sylvia, i'm director for southwest neighborhoods. It's will a pleasure to be here today on behalf of southwest neighborhoods and our 16-member neighborhood associations. To say thank you for investing in the neighborhood system. On june 26 we'll be celebrating our annual volunteer recognition event. And our theme this year is "we treasure our volunteers." because the real treasure in our community is the people who work to improve and maintain the livability of our neighborhoods. So we'll be celebrating volunteers that have organized at least seven stewardship groups in our area that every month plant trees in our parks and native plants, and pull ivy in our green spaces. We'll shine a spotlight on community members that pull together to improve transit options between neighborhoods and local businesses, residents that organize litter patrols, and work to identify safe walking paths to schools. And form partnerships with our bureau staff to improve our transit and our safety of our streets, and the improved land use decisions. And all of this does

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not get done without an investment to help them reach out to their communities, and the dollars that will go along with this contract will help us to invite others to participate in their neighborhoods, to problem-solve, to get involved and organize neighborhood emergency teams, to do a host of things that they've been wanting to do through the neighborhood grants program. So we're mainly here today to say thank you.

Alison Stoll: I'm alison stoll, the director of central northeast neighbors, and i'd like to say ditto to everything that sylvia just said. She did a really great job of putting that together. We work across the river from each other, but we basically work with the volunteers in the neighborhoods and in our community. Neighborhood associations have obviously been around Portland for a long time. They represent the neighbors that are in our city. And as we grow and change we're looking forward to making more contacts with the larger, broader community. We and our area are not only working with eight neighborhood associations, we're working with five business associations. I have an organizer, we just organized the central sandy business association, a brand-new business association, and that work was done through our neighborhood coalition office, which is really a wonderful collaborative partnership. And again, we want to say thank you to all of you commissioners and to our honorable mayor for supporting this system and working with us to keep improving it and keep working together for those partnerships with everyone out in the community. So thank you.

Brian Hoop: Brian hoop with the office of neighborhood involvement. Sorry for being late, I was told we would be at the end of the morning agenda. I want to acknowledge gratitude to the council for their support for these new resources going to Portland's neighborhood system. I think it's our understanding it's been at least 15 years since there's been a significant increase in financial resources to the neighborhood system. I want to thank the community volunteers, neighborhood volume fierce who participated in our budget advisory committee this winter and spring. They came together with the task of looking at cutting -- showing one, 2% cuts as all bureau were asked to do, yet they also took on the challenge of proposing what would be the right budget for the office of neighborhood involvement and the neighborhood system. And fortunately there was support from the council members to support some of those proposals they had. Commissioner Sten and Leonard, I think it was team a or team b, endorsed the idea of adding even additional even more additional dollars to the neighborhood system. And i'll briefly describe some of these ideas, but there's much more work to be done. I want to remind you the bureau innovation project is going to be continuing and looking at how do we grow and strengthen the neighborhood system and citizen participation in Portland. And I encourage the commissioners offices to participate in that dialogue if you have ideas or concerns about the future of the neighborhood system. And specifically what the new funding will provide, you've received a handout, it's roughly \$330,000 of new funds going to direct support to the neighborhood system. One for a neighborhood grant program, something that neighborhood leaders have asked for for many years. I know when sam Adams was chief of staff of vera katz's office in the mid 1980's -- 1990's, you began researching a grant program, and there have been a few others that have proposed the idea. There is going to be new funding for commissioners, newsletters, and online communication dollars for neighborhood groups. And third, it will provide new funding for operating funds for insurance, this has been a big concern since 9-11 the insurance industry has gone through a lot of major changes, and for several years recently it was increasingly difficult for district coalition foss find -- to find affordable insurance, and it was an important need to many neighborhood leaders that they felt they could participate without the fear of being under -- liable for potential legal suits. And the bureau advisory committee is developing a -- has approved a funding formula that I handed out to you how those dollars would be distributed, and we're very excited that they took on the challenge of coming up with a more equitable distribution system to acknowledge how many neighborhood groups are in each coalition, the number of households, and more importantly for the grant program, actually

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looking at median income levels, looking at some of the coalition areas, maybe need additional resources due to trying to do more outreach to underrepresented constituency groups, lower income folks, communities of color, etc. And we still have work to do this summer developing agreeing upon what those funds can be used for and performance measurements. And lastly, I also want to thank some of the other new funding that has been approved but isn't part of this contract amendment, the diversity civic leadership committee, which was led by a number of the district coalitions and about a half dozen community-based groups participated. It's worked for two years look at how can we do more outreach to underrepresented community groups. And they propose several -- several of the proposals were adopted by our budget advisory committee this winter. Number one, what you'll be seeing is we'll be developing an r.f.p. For people of color leadership academy that will provide resources to community of color based organization to help build leadership skills in the capacity of organizations of color to participate more in the civic life of the city. And also to help build more relationships and working partnerships with the existing neighborhood association system. And lastly, there will be a \$45,000 that will be granting to several of the coalitions to do some very targeted outreach efforts to several neighborhood associations to look at how can we measure if we really focus on diverse outreach efforts, how can we measure progress and expanding the membership, the leadership of those neighborhood associations to constituency groups that have tradition natalie not been active in neighborhood groups. I know we have a lot more work to do with the committee.

Potter: Thank you, folks.

Amalia Alarcon: I just want to reiterate what my colleagues have said to just say thank you to all of you for giving us certainly the first budget in my history with the city that has actually given us some good news to take to the community. I want to say thank you, particularly to commissioner Leonard who said, hay -- hey, why can't we give you more money, and mayor Potter, who said, hey, that's a really good idea. And everyone else who supported that as well on council. We've got some really fabulous, really exciting things that were implementing in the next fiscal year. As we look at the system, we're look at performance measures for everything that we're doing out in the community as well as allowable use of funds. It's a community process that's dictating for us how that's all going to go, so everything that you've done, there's not only the benefit of the money at the hands of neighborhood people being able to finally do some projects, there's also side benefits, which means people have had the luxury to talk about a funding formula which has not been the case in the past, that people are having the latitude to talk about ways which in which the money can be used with performance measures and appropriately, we're having the latitude to look at the greater good of Portland and not just our own little pieces of Portland. So what you've done is really given the system, the freedom to breathe and to implement some of the things we've been talking about for a long time. So thank you for that.

*****: I think one of the unintentional --

Potter: Why don't you tell us who you are.

Elizabeth Kennedy-Wong: Elizabeth kennedy-wong, policy manager in the office of the mayor. For six months community members, more than 30, have been coming together and struggling with hard issues about how do we engage people, what's it going to take, how are we going to allocate limited resources. I think that exercise was a good example of what we've been dawg about in our office, about engaging the community and government in a partnership about how do we address challenging issues. And then another benefit was when you guys came along in the budget process and said we're going to give more money to this system to look at how we're working with the community and then as council became engaged in that conversation, which really was I think the essence of what community governance is about, is the council and this committee working together to figure out how are we going to support citizen participation and engage in the community members. And I want to touch on the conversation that the committee had about how

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do we allocate resources, and I think it is really profound they were able to tackle that conversation in a really healthy and productive manner and really say, how do we do this work in a way that addresses people's needs, and put more resources into the effort. It wasn't a cost -- I think the fact they're able to do that in a healthy way that in the end everybody feels really good about the process, gives a lot of credit to both the office of neighborhood involvement and the committee and the people who worked on it. So thank you guys for your support in this as well.

Potter: Thank you, folks. We don't have a sign-up sheet, so please take the vote.

Adams: I guess if I was a more effective public servant it wouldn't have taken 16 years to get a restoration of the grant program, which I think if I recall correctly went away about 25, 30 years ago, the neighborhood needs assessment process. So it's good to be -- it's good to see it come back. I think the kind of success that we're experiencing in the neighborhood business district grant program we'll see 10 fold in this, and I want to thank team -- the other team and the mayor for putting that forward. I want to thank the staff, o.n.i., elizabeth, brian, and everybody for just some really good work, especially in the last year of making changes. It's a breath of fresh air through the organization in terms of what you're accomplishing. And you'll continue to have my strong support. Aye.

Leonard: I had the honor of leading the office of neighborhood involvement for a couple of years, and as most people know, I had some suggestions on how to connect it better with the community, and one -- and I think when people are making suggestions like that, it is -- you become more responsible than when you discovered what some of the issues are to help fix them. What I consider to be some of the limitations on the office of neighborhoods involvement and reaching out better to other members of the community, they didn't have the resources to do it. So it's hard to be critical when you recognize exactly what the problems are and you have the means by which to address it. It's not hard, it's hypocritical to do that. And so I was really pleased to work request commissioner Sten and mayor Potter on the funding that we were able to get this time to follow through with what we had identified as a short coming, and that was on the part of the city council, not committing the resources so o.n.i. Could do the work that I believe they are tooled to do and do very well. So I am really -- I am pleased to help with this, and very pleased with working with the mayor and all of my colleagues here on addressing this really important funding issue. Aye.

Saltzman: I'm very pleased to support this. Many of the themes of the enhanced funding are things that are still sorely needed in our neighborhoods, and that is representation of citizens who don't look like us, people who rent, people from minority, people who have families. These are constituencies still not present at the table, in my opinion, and i've visited lots of neighborhood meetings over the last six months. But I do want to commend the effort, I commend that it's flagged out here in the project number eight, and I hope it will be reflected in the budget we're approving today. It's something we have to figure out how to do. We can't afford to just toss our hands up and say it's just not going to work. We have to figure it out. And I hope that things like the diversity academies will work, but I also want to express a dose of skepticism right now that those monies not go to sort of the same old players who bring the same people to the table as the representatives of the minority community. I want to reach out to people who we've never met before who aren't associated with the same providers that are going to be applying for that money. And it's a challenge to do that. It's not comfortable. But again, I feel it's incumbent upon us to do that. And I want to close by saying what admiration I have for the coalition staff. And o.n.i. staff as well, but I -- the coalition staff i've known over the years and I really want to just commend all of them for their consummate dedication to the goals of citizen involvement, neighborhood participation. They really are a tremendous group of people, as are the o.n.i. staff. Aye.

Sten: I'm really enthusiastic about the way it's going, and good work. Aye.

Potter: This process has been interesting because it's been driven by the community. This isn't something that was dictated to the community, we told them what the available money was, they

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made determinations on how to best and most effectively use that money. They did take into consideration the issues and concerns of the council in terms of being more representative of the communities that they serve. So thank you to the o.n.i. Bureau advisory committee. Thank you to the coalition offices, thank you to amalia and the staff of o.n.i., thank you -- I think you folks have really -- this is going to be a wonderful thing to watch unfold in the next 12 months as to how citizens in Portland who have always been the backbone of our community, become engage in this and our visioning process, and really develop a strong voice that is heard not only here at city council, but throughout the rest of our community. So thank you so much. I really appreciate it. I vote aye. [gavel pounded] I just wanted to take -- is anybody going to be -- we have one emergency vote. Should we be hearing that first?

Leonard: Via meeting that's going to start soon that I have to leave for.

Potter: Please read item 803.

Item 803.

Sue Klobertanz: Mayor and council, sue klobertanz, very briefly, what you have before you authorizes an agreement with the city of gresham for the revenue bureau to administer the gresham payday lender code following the city of Portland, gresham adopted nearly identical payday lender ordinances, and our two cities, gresham and the city of Portland, encompass over 95% of the payday lenders in Multnomah county. Since many of the payday lender companies have locations in both Portland and gresham, compliance will be easier since the rules and enforcement between the two jurisdictions will be the same. And the businesses will only have to learn one set of rules. Just so you know, we're currently discussing similar agreements with troutdale, wood village, and beaverton. So this would allow us hopefully to create some efficiencies in economies of scale as well as make it more efficient for the businesses that must comply with these new laws.

Potter: Questions from the commissioners? I think this is a really smart way to do business, and on such an important issue as payday loans. The city is coming -- the cities coming together I think will show a very strong front to the payday lending industry, let them know that we mean business. Thank you very much. Is there a sign-up sheet for this?

Moore: There was, but no one signed up.

Potter: Please call the vote.

Leonard: Aye.

Saltzman: I want to echo the mayor's comments. This is very good news to see the cities working together to streamline the administration and enforcement of this payday lending ordinance. Aye.

Sten: I want to thank commissioner Saltzman for getting this going. Good work. Aye.

Potter: Aye. [gavel pounded] returning to our -- 801. No -- item 801.

Item 801.

Potter: Is anybody from staff here? Gary, could you call our office? We'll skip over this, but we do need someone from the police bureau to discuss this issue. It's an ordinance, it's item 801. Let's move to item 802. Are you here to speak on behalf of this?

Item 801.

*****: [inaudible]

Potter: Ok. Yes. Please come forward. This is for 801.

Stephen Keller: Project manager for o.m.f. Do you have any questions, i'd be happy to answer them if I can.

Potter: Just very briefly outline what this contractor does.

Keller: The contract will allow scott edwards to continue work. They've already done a schematic design for us for guilds lake improvements to the warehouse currently owned by b.d.s. And the improvement allow -- the improvements will allow the evidence facility to move to guilds lake and replace their current facility near lincoln high school, which as you may know, is -- was never designed to provide for the program that they are functioning.

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Potter: This was also in this year's budget for the police bureau. I think through the sale of the facility near Lincoln High School, they expect to recoup a good portion of the cost.

Keller: Correct. I think we have an appraisal, about \$2 million coming from the sale.

Potter: Any questions for the staff? Thank you. Did we have a sign-up sheet?

Moore: I did not.

Potter: Does any member of the community wish to discuss this? This is a nonemergency and moves to a second reading. Please read item 802.

Item 802.

Potter: This is a second reading, please call the roll.

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

Potter: Aye. [gavel pounded] please read item 804.

Moore: I think we took care of that earlier.

Potter: Ok.

Moore: We didn't.

Potter: I thought 803 --

Moore: I'm sorry. 804.

Item 804.

Potter: Second reading, vote-only.

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

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

Item 805.

Potter: Second reading, vote-only. Please call the roll.

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

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

Item 806.

Potter: Please call the vote.

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

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

Item 807.

Potter: Please call the vote.

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

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

Item 808.

Potter: Please call the vote.

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

Potter: Aye. [gavel pounded]

Moore: We had four items pulled off the agenda that are emergency ordinances. That was 780 through 784. We'll take those now before Commissioner Leonard leaves. We had a citizen request.

Potter: Ok. Please come forward.

Item 780, 781, 782, 783 and 784.

Potter: I want your testimony to be specific to this.

Potter: You have two minutes.

Richard L. Koenig: Thank you. Richard Koenig. We kind of touched on this when we were talking about the ordinance proposing the temporary tax for the school district. But I believe that with the concern that we have for the children of this community that we have to seriously consider the implications of our schools not providing the education required by law. I think that if we as a city, as a city government condone that by continuing to sponsor the schools in their current lack of compliance, that we're talking out of two sides of our face. I would hope that any agreement

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between the city and the school districts is contingent upon compliance with the law, and i'm talking for the record, specifically o.r.s. 336.057, and let me give you the direct quote one more time. "public schools shall" not maybe, no discretion "shall provide a course in constitutional studies every year commencing no later than the eighth grade, and continuing through college graduation." I think to do anything less than to make an intergovernmental agreement providing for funding contingent upon less than that is irresponsible. Thank you.

Potter: City attorney, can we vote on these at once or do we have to hear them individually? Please read the first.

Roll on 780.

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

Potter: Aye. [gavel pounded]

Roll on 781.

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

Potter: Aye. [gavel pounded]

Roll on 782.

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

Potter: Aye. [gavel pounded]

Roll on 783.

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

Potter: Aye. [gavel pounded]

Roll on 784.

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

Potter: Aye. [gavel pounded]

Leonard: Thank you.

Potter: Thank you. Please read the last item, 809.

Item 809.

Potter: Is the city auditor here?

Dan Broom: Dan broom, i'm a supervisor with the city of Portland bureau of maintenance.

Sharon Simron: Sharon simron, I work in the auditor's office.

Potter: Please proceed. Please explain this nonemergency ordinance.

Broom: This is just where we want to push, we recommend -- there were no remonstrances on this, so we recommend that this be moved to the second reading.

Sten: I move it to second reading.

Saltzman: Second.

Potter: Please call the roll.

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

Potter: Aye. [gavel pounded] thank you, folks. We recess until 2:00 p.m.

At 12:13 p.m., Council recessed.

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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.

[The following text is the byproduct of the closed captioning of this broadcast. The text has not been proofread, and should not be considered a final transcript.]

JUNE 14, 2006 2:00 PM

[roll call]

Potter: Please read the 2:00 p.m. Time certain.

Moore: Did you want to get rid of the item left over from this morning first?

Potter: Do you want to do that? Ok.

Item 791.

Adams: Thank you, mayor. We have a presentation that will memorialize the fact that most all the issues have been worked out.

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

Adams: We've got a lot of people waiting, if you could just distill it down.

Linda Birth: Absolutely. We actually don't have a presentation. The neighborhood association was going to pull this agenda item related to a separate issue, but they have another way to work that issue out with you, commissioner Adams.

Adams: Ok.

Birth: So we have no issue.

Adams: Arm wrestling.

Birth: Yes.

Potter: So we're voting -- there's no opposition.

Birth: Yes.

Potter: Ok. Could you explain the nature of the vote?

Birth: We can.

Adams: Seems reasonable.

Birth: It's a site over in southeast at 39th and Holgate, new development. Needed a little bit of area added to their site to make the development work. It was public right of way that we don't need for transportation purposes, so we wrote this memorandum of agreement with the property owner to outline the responsibilities and obligations of the parties as we go through a vacation process, which you'll hear from us in about six weeks, and then a surplus sale process, which will be a little later. Unfortunately we forgot to put an assignment right in the original m.o.u. The property owners would like to sell the property and have plans to do so, so we just need to give them the right to assign their rights that we've agreed to with them.

Adams: My understanding is that under Oregon law our easements for streets when we vacate them automatically go to the adjacent property owners.

Birth: In this case it doesn't because we purchased this corner of 39th and Holgate years ago, in the mid 1980's in fee simple.

*******:** So we are the underlying property owner.

Birth: That's why we have to vacate it. We'll take the ownership and then we sell it to them. Hence the m.o.u. It was quite complicated.

Leonard: I'm afraid if you keep going you're going to explain it to us.

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*****: We're done.

*****: Too much information.

Potter: Thank you. I assume there's no sign-up.

Moore: No.

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

Potter: Aye. [gavel pounded] we'll move to the 2:00 p.m. Time certain.

Item 810.

Potter: Good afternoon, folks.

*****: Good afternoon, mr. Mayor. Commissioners.

Potter: How are you?

*****: Very well. If we may.

Potter: Please.

Doug Blomgren: My name is doug blomgren. For the next several weeks i'm a member of the Portland development commission. I'm pleased to appear before you today representing those who have proposed to you for your consideration a proposal to extend the central eastside urban renewal area through august 2014 to increase its maximum indebtedness by \$2.7 million, to a total of \$35 million. And to expand the district by 7.1 acres to bring in the Washington monroe high school site. Those who support this recommendation include the 14-member committee that studied this for about a year, Multnomah county board of commissioners, the league of women voters, the planning commission, and the Portland development commission. Are there some of the 14-member committee who would prefer more tax increment funds be available for a longer period?

Absolutely. Nine out of the 14 suggested that 51 might be a more appropriate number. The fact remains the total body supported the 35 million. But the fact that 51 million might garner support from this council or from other parts of the community led p.d.c. to, like planning, to recommend 35, but p.d.c. has also prepared findings and drafted an ordinance which would permit you to adopt 51 is that is your choosing. Let me say that the recommendations that are before you from p.d.c., planning, and from the county board of commissioners all unanimously support the \$35 million figure. As i've said, there are some who would prefer more than 35. There are those who would prefer substantially less than 35. The fact is that that committee reached a compromise because they felt an obligation to respect the point of view of those who disagreed with them. And they adopted a report that all of them could sign on to. Not all of them with pleasure, but all of them with a conviction that it was a good recommendation. That fact simply says what is obvious -- that we drew a group of very intelligent citizens representing both the neighborhoods and citywide interests together to make a recommendation to you on a very difficult issue. The fact that they were able to come up with a proposal that all 14 signed on leads me to be very proud of their effort and proud to propose this, and proud to defend it. To those who say that the proposal lacks a vision or a thesis, I would say, I respectfully disagree. In fact, the district as it is is division. The report we're presenting to you only deals with one form of financing, which can be used to implement plans that have been in existence for some time now. The fact is that we are talking only about tax increment funds, 60% of which come from the county and the schools, not from the city, and their implementation, their use to implement the plan that was first adopted and other visions, including development opportunities, strategy, and other visions for the area. The central eastside industrial council has long said, and I believe them, that the goal here is not to create a district that is rich in assessed value, it is to create a district, preserve a district that is rich in jobs. There are 17,000 jobs in that area right now, and this proposal represents a commitment that through measured systematic investment we can tell current employers that if you need to expand your operations and there are seismic problems with your building, we can help. It is intended to say to other employers who want to move into the area, if you want to develop like kinds of industries that employ people in good jobs in the central core of this city, we can help. But it is also a plan that says, if you would

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prefer to build tall glass towers and create condominiums that would create huge assessed value in this area, you should go someplace else. Thus, in my view, the vision is the district. It is the jobs. And it is the proposal that is before you that we think that p.d.c. Believes is appropriately measured to encourage the retention and development of additional jobs without running the risk of increasing rents in such a way that those employers move someplace else. And if they move, at least our view is they would move out of the city, potentially out of the county. There are those who would also say this recommendation does not include sufficient funds for many of the important things that need to be done in this community and in this area. And to those I would say, you are right. But the proposal -- but the proposal recognizes that we have limited funds, and that there are difficult choices that must be made. Again, 60% of the funds that are used for tax increment in this district come from the county and the schools. We have other taxing jurisdictions that are trying to keep schools open, that are trying to open a jail, who are called upon to repair bridges, and who are called upon to provide care for mentally ill in our community. Therefore, it is very difficult to say that from a long list of very, very worthy projects, that those projects are more important than the others. We know that what ultimately gets funded is going to be through a process of the urban renewal advisory committee, the planning commission, and this council setting the budgets. We know that that is going to be the way that the money is spent. But we believe that the \$35 million proposal is respectful of the counties and the schools and their fiscal priorities and their fiscal needs as well. And I think we have very good evidence of that. The county board adopted unanimously a recommendation for \$35 million. Ultimately this is your decision. And you have a great deal of flexibility. There are ordinances before you for both 35 and 51. If you believe that there are more expenditures that ought to be done, more tax increment financing that ought to be employed in this area, it is possible to adopt 35, adopt 51, and if five years, six years from now there is sufficient property tax revenues in the district to support an extension or an expansion, at least I am not going to stand in place of your council, but at least in my view those are amendments that can be made again. So it is your decision, but I would urge you to thank the committee for the very difficult work it undertook, the anguish and the sweat that it took to get to a recommendation that 14 people could sign on to, and to extend the district in the manner that's been recommended by planning, by the county, and by p.d.c. and with me today as you can see is the president of the planning commission who I believe has some words, and also mr. Witcosky, who will present what I presume is the obligatory power point presentation on all subjects coming before this council. Thank you very much.

Paul Schlessinger: We are really doing something different, because usually the power point goes first. So i'm somewhat at a loss of words, but i'll quickly get over that. Paul schlessinger, chair of planning commission of Portland, Oregon. Thank you, mayor, and the commissioners, for reviewing this hopeful proposed amendment to the central eastside urban renewal area. Thank you, doug, for your words which are going to make my words a lot briefer so that we can get on with this. On may 23 of this year, the commission voted unanimously to approve the proposed ninth amendment to the central eastside urban renewal plan as recommended by the Portland development commission in resolution number 6349. 3 components as doug has defined, but worth repeating again. That being extending the date from this august 27 to august 27, 2014 to increase the maximum indebtedness by \$22.7 million that would make \$35 million available for investment in the central eastside district, and the other key item being expanding the district by 7.1 acres to the 688.1 acres that would bring the Washington-monroe high school site into the district. To repeat a few items from doug's comments and from our letter, I think a key component as you review this resolution is that it isn't just city money that's going into this u.r.a., but it is also Multnomah county and Portland public school district, and I think the key thing as doug stated in definitely worth stating again, 60% of that funding comes from those two situations. The other item that I -- other two items that I would again bring up and have you consider on this vote is that there was a group, a

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stakeholders group that had a long and at sometimes painful process, and that process should and does need to be respected with your vote hopefully today. They did come up with a resolution that was not always easy, both on the time issue of extending this renewal area of expanding it to include the Washington monroe high school site, and increasing it by the 22.7 million. This is a key in that it was not only a stakeholder group made up of the neighbors and the business owners, but also people outside of the district. And i'm glad to say in hon -- and honored to say that both Portland development commission and the planning commission had members very active membership on this committee. The last item that I want to bring up is that at that same meeting that we unanimously approved for recommendation to you what p.d.c. Is bringing forward is that we did look at further extension, both in time and dollars, and the planning commission at our may meeting unanimously decided not to take any action on that. And my last comment again to mirror doug's comment, this is basically a financial situation here. And it deals not just with the city of Portland, but also Multnomah county and the Portland public school district, and also a lot of work done by a lot of people. So in closing, I would urge you to accept the recommendation by both the planning commission and the Portland development commission. Thank you very much.

Keith Witcosky: I'm keith witcosky from the Portland development commission. I'm going to run through a very quick power point so you can get on to the work from hearing -- of hearing from the public and making a decision. Today the purpose of this meeting is to look at the two alternative amendments for the extending the central eastside urban renewal plan, take testimony, and then discuss how you may want to vote next week. The central eastside urban renewal area was created in 1986. It can't issue any more debt after august of 2006. In terms of the boundaries, it runs from the willamette river to the west east to southeast 10th and roughly from i-84 south to powell boulevard and the current size is 681 acres. I want to quickly take you through the two alternatives we've been talking about, and you also -- what we did, even though the stakeholder committee reached consensus on one amendment, we agreed what we would do is notice and provide ample opportunity and the legal ability for city council to make a decision on the alternative so you weren't left with a dead end of yes or no. The first piece is the extension of eight years which would provide \$35 million in additional resources for the district, and what the stakeholder committee came up with, as well as extending it for 7.1 acres, what their emphasis was on was economic initiatives, transportation infrastructure, trying to find projects which benefit the neighborhood, those were all very consistent priorities throughout the discussions that they had which began last june. So they've been working for basically a year on negotiating what would be appropriate and inappropriate in terms of an extension. And again, they came to city council at a work session in january to discuss these alternatives as well. So let's go quickly to the map that identifies where these projects are at. The lines in red, I don't have the pointer, but what you're seeing here is trying to create connectivity to the neighborhoods through sidewalks that were supposed to be built a few years ago in conjunction with the esplanade, so somebody can walk safely across m.l.k. And grand and get to the new park. You see the other orange lines crisscrossing through the screen are the streetcar and burnside couch, which they've view as very important infrastructure projects which would lead and facilitate additional development and create capacity improvements and circulation improvements. The area in the top that's kind of a lavender color is a new more flexible industrial zoning, so in those areas and in those older buildings you don't just have to have somebody with a welding mask doing work, you can be working on a computer doing c.a.d. Designs, this is something that had been in process in the view, and the perspective is it will lead to higher job densetive in these buildings, and instead of just having sparse uses on the lower floors, you might be able to lead to higher uses, a lot of the seismic and historic buildings that need assistance in the area. The other projects that are sprinkled throughout, particularly not sprinkled, but at the bottom of the screen, number 11 is the Washington monroe high school. It was very clear throughout the entirety that the committee talked that that's a critical

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project, an opportunity for the neighborhoods to have a community center along the lines of a gabriel park bring in housing, bring in a lot of amenities and make that a neighborhood center. It's very, very valuable to the neighborhoods in terms of the community benefits associated with it. That's why they want the 7.1 acres brought in. Right now the city has a loan on that property, and then the school district owns a piece of it as well. So there's an opportunity for a pretty significant partnership on that block. Let me talk briefly about the alternative amendment and the other ordinance you have before you. What this does, it adds an additional \$16 million and it extends the district for an additional four years. The items in blue are where you see the difference between the 35 and the 51. There's additional money going to Washington monroe because the agreement from the committee is regardless of how much money there is for the extension, whether it's \$1.50 or \$150 million, the 10% of it goes towards that project. All of the other items are directly related to economic investments and economic development initiatives. That is something that had been focused on, particularly by the central eastside industrial council and the business owners who felt that as everyone agreed the district is kind of on the cusp of success, it's not quite there, and it's still at risk because market forces won't completely take over. And they felt additional investments into the buildings, into the e.x. Zone, into the i.g.-1 zone, providing projects such as parking structures and business assistance would be very important to the future of this district. And put it in a position so it's not going to need tax increment and we're not going to be back here in 12 years. That was the impetus for that proposal. With that, this is just essentially the time line of where it's gone in the last few months. As commissioner blomgren and the president of the planning commission said, p.d.c. In april it was a unanimous vote, identical thing happened at the planning commission today at city council it would be public testimony, and next week would be the actual vote on the item. With that, we're done with the presentation.

Potter: I did want to ask a question. On the expiration date, it indicates on here august 26. 2004. You can no longer issue any debt after august 26, 2004?

Witcosky: 2006. The last date that council could issue bonds on p.d.c.'s behalf or short-term debt would be august 26 of this year.

Potter: I 30 there's -- I think there's a misprint on the ordinance. Do you guys read it the same way?

Saltzman: Yeah.

Potter: It shows 2004. I was wondering why it's two years later.

Witcosky: We're slow.

Potter: What is the time line for the council to make a decision before august 26?

Witcosky: The time line would be -- ideally --

Potter: If this were to be extended out, this discussion, what would the time line be that we had to have it done in order to complete -- to be able to issue debt?

Witcosky: Council would have to take some kind of action before august 26.

Potter: Thank you.

Sten: A couple questions, mayor?

Potter: Sure.

Sten: Thanks for your work on this. Is the way that p.d.c. Has set this up legally the only chances are \$35 million or \$51 million?

Witcosky: Yes.

Potter: That was based on the discussion with the city council in january?

Witcosky: Based on discussion with the council and based on discussion with the stakeholder committee.

Blomgren: If I may, the choices before you currently are \$35 million and \$51 million. City council can act other than on these ordinances, and do a number of things. I would leave it to your counsel to advise you, but if you think it makes sense to think a great deal more about this and you

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want to look at things a great deal more, one option would be simply to amend what exists now and remove the august 2006 date. But you would not be increasing or expanding the district. You would be leaving it open. The other thing that is always possible is to adopt one of them now and act later. But as everyone around this room knows, the ability to use tax increment financing doesn't depend upon what we say the tax revenues are going to be, it depends upon what the tax revenues are really, what our experience truly is. So if you wanted to expand it to \$500 million, it would be difficult to do because you would -- you could have the capacity, you would just -- you could have the authority, you would just never have the revenues to support it. So sometimes it may make sense if you want to consider it more is to see what the tax revenues look like five, six, seven, eight years from now.

Potter: And how do we do that?

Blomgren: Were you to adopt \$35 million or \$51, and if in 2010, let's say, there were pressing priorities and there were sufficient -- there was sufficient activity going on in the central eastside, burnside bridge had -- these numbers already assume that project is going to be in place and generating tax revenues within five years, six years, I believe, I can't remember the precise time line. But if within five or six years the tax revenues are substantially in advance of what it was that we anticipated, then other amendments are possible. Whether they are major or minor amendments, and the amount of brain damage or sweat that has to go into them will depend upon your pleasure at that time. So while 35 and 51 are before you today, it seems to me there's a vast array of opportunities for considering things now and considering things later.

Sten: We did have what I thought was an important and good work session with the p.d.c. And the planning commission a few months back to talk about this. I heard your answer, but I want to push on you a little bit. I certainly was if not one, certainly one, there were others I think, that made the argument that, some people think this doesn't have enough of a vision, and I don't. I think that it's a good list of investments, but they all seem to be relatively sort of small and they lack to me a signature sense. And it appears the bed has already been made that the burnside bridgehead is going to be enough, and I'm not so sure that is the vision. I think that's a unique site where you're trying to put a lot of retail and housing which is counter to the vision you're arguing to me. The vision you're arguing is the district is itself. We're investing money into something that's completely different, and really putting a small investment into what's there. I still think it does lack a signature project, a level of investment, and I think the committee did a wonderful job of compromising, but hit a compromise that neither gets the property back on the rolls particularly quickly, nor I do think is likely to spark a huge change down there. And I'm being provocative on purpose because I'd like to hear people address this thesis. To be blunt, I'm kind of underwhelmed we had a joint session and the response back is, nah, we've got nothing. It sounds like the planning commission and p.d.c. Are settled on this, and that's very compelling to me. I just want to push and make sure there was no further discussion of any of the things that happened at that joint work session, because it sounds like nothing changed, there's no other alternative on the table.

Blomgren: If I recall the comments at that session, actually I recall a fair number of them quite well, I remember commissioner Leonard saying that if it were up to me, I would opt closer to the \$51 million. And nine people on that committee said if we had \$51 million, here's how we would spend it. And that was forwarded to p.d.c., that was -- and p.d.c. Adopted -- excuse me, is pre-- has prepared an ordinance and findings that would support the \$51 million. So at least in that particular respect, in that particular respect it seems to me that the committee and p.d.c. Was responsive to the comments. With regard to your comments about the vision, I will be the first to acknowledge that burnside bridgehead is completely different from the rest of the district. But is it at the far north end of the district, and it's considered part of the burnside gateway strategy. In the area between burnside and the hawthorne bridge and below, the fundamental proposals, at least that we have heard and heard about from central eastside, are that we have got, I can't remember the number,

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1200, 1300 buildings, more than half of which are -- would require seismic upgrades were one to expand. We have employers who would like to stay, and some might want to expand. And we have others we think we could attract to the area. That's why the idea of a signature seems to me to be inconsistent with something that is at the heart of what the central eastside is looking for. I heard numerous times, frankly, we don't want any more plans, we don't want a lot more money spent on plans. We really need to implement the ones we have. We have a strategy, we have some of the other plans that we can push forward on. So I think that is what we heard. Now, i'm not a planner. I'm not the vision guy. I'm trying to propose to you and bring forward to you recommendations which are intended to provide the financing to implement some of the visions of others, which have been in existence for quite some time. And I think that president schlessinger's comments are -- and the planning commission's comments are absolutely the right ones, that measured systematic investment in the businesses that are there and encouraging other like businesses to come to the area is a good plan, but the city ought -- the city ought to undertake perhaps a broader more intensive planning for the area.

Adams: Can I pick up?

Sten: I just want to say one comment. I'm just trying -- this is going to be a discussion, i'm personally probably not going to be looking to act today because I still have a lot of listening to do.

My signature, to me it could be more money into seismic. It doesn't have to be a monument. But it could -- i'd almost say scale in signature.

Blomgren: I think I understand the point.

Sten: You've got 1300 buildings, \$6 million, and I think -- my fear is that if the next wave of employment base doesn't take much harder the ability to hold this area for jobs is going to erode over time, and I think very quickly. Because this real estate is some of the best in the west coast which means the best in the world if you rezone it. And through the boom market, the vision of the vacant buildings filling not only didn't come close, it didn't start. So the argument is, now it's going to happen, if we just do a little bit. That's what i'm concerned about, is that really reasonable to think given over the last 10, 15 years it has not, and most of the industries that are there are tenuous in terms of can they stay or not. So it's signature, scale, are we doing enough to hold that industrial area in terms of whatever the new industry is going to be. I like the argument a lot, don't get necessity wrong, if we leave it well enough alone and don't spend a lot of money, it's a compelling argument with a commissioner with a lot of spending needs in front of the council, but that's where i'm pushing.

Blomgren: I understand. And I think there are lots of people sitting behind me who can comment on their views of the vision and the development capacity for the area.

Sten: I was trying to set up the hearing. We'll both listen. Thanks for your work.

Adams: If I could --

Blomgren: Oh, you can.

Adams: Thank you. How much do you expect to accomplish, I just want to get a sense of what the discussions were, how much do you expect to accomplish just following up on commissioner Sten's questions and comments, with \$6 million and that level of need, let's say, for the seismic update that would help it remain an industrial sanctuary and hopefully the knowledge based industrial sanctuary, among other things in the future? What was the assumption of the working group and how much will that -- how many buildings can you do with that?

Blomgren: I'd be happy to give it a shot, but keith is probably better at the numbers. We assumed that in the amount of time it takes, first you have to have somebody who wants to be expand.

Adams: I know all that.

Blomgren: Three to four a year is probably what we were assuming was what could get out the door in terms of loans and development. At least that's the pace --

Adams: Three to four years worth --

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Blomgren: Three to four buildings per year for the period. That was my back of the envelope and I think -- and Keith, if I'm being too ambitious, let me know.

Adams: I've been told that we have capacity under existing zoning, so existing e.x.z. Zoning, there's a common misunderstanding that there's a lot of e.x.d.'s, that there's a lot of that zoning over there.

Blomgren: Lots of i.g.-1 too.

Adams: It has a capacity of up to 4,000 units of housing that, where the infrastructure is already in place, it's not like -- some of the infrastructure, it's not like a brownfields like south waterfront or the pearl district, so one could argue that it's a more efficient way to do sort of infill density with existing zones.

Blomgren: You're right.

Adams: How many -- with the amount of money that's on the table, what was assumed to be facilitated in terms of the number of housing units? Given the capacity and the potential?

Blomgren: Under both the \$35 million and \$51 million proposals, the number was the same. And I think it's \$4 million.

Witcosky: It was 3.2.

Blomgren: 3.1

Adams: What are you assuming -- I know it depends on a lot of variables, but what was the group's assumption about how many units could be built with that?

Blomgren: I think the initial understanding was that a great deal of it would actually go into hooper, and we looked at the proposal that came from central city concern. That was one. And then dee walsh's participation also identified a particular project or two. And if she's in the room -- I think she may be on sabbatical. I don't remember a discussion about x number of units.

Adams: Keith?

Witcosky: What the committee looked at when you talk about the industrial zoned area and the e.x. Zoned area was first of all, there is a lot of capacity. We looked at metro's numbers. You could go to the sky. But there's a -- not a lot at the current time private sector interests who invest in those types of things. So the idea was whether it was through the streetcar or some other types of resources, how can these funds be used to finally begin to get the private investor to invest in their buildings? And that's uncertainty. But when we looked specifically at, ok, if you're going to have \$4.5 million for seismic, how much can that do? And the committee felt it would be -- if seismic costs \$20-\$40 a square foot to upgrade a building, putting in about \$800,000 a year could lead to 20 to 30 to 40,000 square feet per year you could renovate and improve and get jobs and job density into. On the housing piece, they didn't look exactly at how many units could mathematically go into it, they looked at with hooper there was a couple million dollars set aside so the central city concern could take advantage of expanding the services and the continuum of care, and 3.1 that's in the -- in the investment list could either be spent along the e.x. Corridor or potentially be spent at Washington monroe in a partnership with the school district to try and get amenities for families in conjunction with the community center.

Adams: Just to put it out there for conversation as with other people, if you sort of look at south waterfront and the pearl district, where we had to build a neighborhood, mixed use neighborhood from scratch, and we have the current zoning capacity of let's say up to 4,000, and we know that streetcar was important for the pearl district and south waterfront, and other amenities, this just seems in terms of total public cost, because of the infrastructure that's already there, the total public cost versus benefit that this is a pretty good investment in a new neighborhood for density and amenities a la the work we've already done in the pearl and the work we've done on south waterfront. Where I get concerned is that you are underinvesting, so we will get an underresult. Right now that is -- there does not appear to be enough money in the two issues I'm responsible for tracking from what I can tell, and I know you can move line items around, and I look forward to

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having that conversation at some point, this probably isn't best place, but with an \$11 million gap in the couplet and depending on where -- how far you want the streetcar to go through the district, it's a \$42 million funding gap to omsi, it's -- and depending on the sequence, it gets smaller. So my fear is, and I think that our job and your job has been to balance that against the revenues that won't go to other important services in the community, but my fear is that where we have the opportunity to take our share of growth, which is I think in this neighborhood as we have in south waterfront and the pearl, that we are going to underfund results. That's my fear. And I look forward to conversation from others along this line.

Schlessinger: On the planning side, going to commissioner Sten's comments and commissioner Adams' addition, we looked at that, and looked at, to use your word, quote unquote, signature. We felt this district at this point has gone through a fair amount of planning, again, that this isn't a vision or planning item that's in front of you today, but more economic, that there can be further visioning and planning as this district that arguably is not blighted, and is definitely not as commissioner Adams so stated, a pearl or a south waterfront. That the infrastructure is in place. Does there need to be added things? Definitely. Is this a budget that will do everything and anything for the district and for the city? Definitely no. It is a start, it is a financially well-placed resolution that's in front of you, and again, I repeat that there's a three-legged stool here that is funding this. The city, Multnomah county, and the school district, and I don't want to belabor that, but that is vitally important to how you act on this.

Adams: Mr. President, the concern I have is, if it's underfinanced, and you build the two-story proverbial housing building, the three-story proverbial housing building and it's market rate, that building is going to stand for 50 or more years. And it's an opportunity you don't get back, and so the pressure of growth and population growth, whether we like it or not, goes into our single family neighborhoods. That's my concern. This is zoned e.x., and when I say the opportunities as, it's a more efficient opportunity to have density occur, I want it to stay an oaks bottom employment zone. I'm just talking about the e.x.d. Those are my concerns.

Schlessinger: I totally agree with you. And I can't really argue that, because at planning we debate that day in and day out. It's -- we're on the same page. Could I wish to find pots of money that would fully, fully fund whether it's this district or other districts? By all means, yes.

Adams: I just have to say that in the businesses that i've talked to, small businesses that would love the opportunity that are knowledge-based businesses, creative service businesses that would love to sort of buy or move into the central eastside, the notion of doing 25 buildings out of 1300, and then -- isn't that right?

Blomgren: I think it's half of the 1300. But you're still talking --

Adams: 25 buildings out of 600 or three00 -- 300, whatever the number, we've got to ask the question, are we really blowing an opportunity? Because if you reuse a building or it gets torn down because the seismic doesn't pencil, or it sit there's vacant, we really haven't taken money from the school districts because there wasn't any increment not to give them, and we haven't -- we've missed an opportunity to achieve our goals to --

Blomgren: Admittedly that's true, the question that has always been in my mind, at what point is the market going to provide sufficient incentive for people to make the investment on their own? And at what point is it because does it become unnecessary for the city to subsidize it? And those --

Adams: Those are good questions.

Blomgren: And I don't know the answer. And i'm not sure anyone does. But it's certainly worthy of conversation.

Schlessinger: One last thing on the vision. There are going to be future arenas, and i'll put out the freeway loop study that visioning can happen and should happen that would definitely affect this district.

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Adams: I promise i'll quit talking soon. My concern is, when I went to jpac for the \$4 million ask to do the study of the freeway loop, which is desperate in need of such a study, even if you don't think we should do a darn thing with the east bank freeway, it is an older freeway from the -- most of it from the 1960's and 1970's, it's never been studied, it shows clear problems, and I went to the regional folks to ask for the \$4 million to do the study, and we were handed our hat in hand. But there's no resources in this plan, i'm not saying there should than, but general, there are -- again, there are lots of financial constraints that lead me to the concerns of underinvesting. And now i'll be quiet.

Schlessinger: Sam, i'll join you any time on fighting that good fight.

Saltzman: I wanted to ask doug a question. First of all, I want to commend you and the committee for an outstanding job. I really appreciate the work that you personally invested in this, and I really think it's an exemplary example of a good process by p.d.c. I guess what I want to get to, what I view as one of the organic issues of the council, p.d.c., the citizens. Who has the final say over what the investment schedule is? Are we approving an ordinance, are we approving the investment schedule recommended, or is that ultimately something that's under discussion right now in this community? Who has that say over the urban renewal budget? This is an issue i've brought up against before in the gateway area. What's your opinion as an outgoing p.d.c. commissioner about that sort of gray area in our constitutional law?

Blomgren: All the expenditures are mine solely to decide. The thing you see listed in the document before you and the recommendations are intended to be exemplary not of the list of projects that shall be done, but rather the kinds of projects that further the goal that's have been established already. And the consequence -- everybody is sitting around the table know there's an urban renewal advisory committee, it goes to -- to p.d.c. Who knows, there could be ordinances specifying that some percentage of the funds must be spent for some particular purpose. It seems entirely possible. I think there are four or five people saying count on it.

Leonard: All you have to worry about are three.

Saltzman: So that's your view of the world -- I'm sure we'll hear from the committee members. Is that an understood premise?

Blomgren: I think it is. I think everybody is sitting around that group knew that this was not a group executed to designate how public funds are going to be spent, rather it was a group constituted to make a recommendation to you as to the reasons for wanting to extend and expand the district. It is -- it's absolutely true that there were participants around that table, particularly the county and the schools who said, how do we make recommendations to our governing bodies without having some -- being able to specify what the bang is going to be for the buck? But I think everyone knew that these -- that the list represents what 14 people thought would be a type of expenditure and extent of expenditure that they could support. But everyone knows things change, people change, times change, and needs change.

Saltzman: Thanks.

Adams: Thank you all very much.

Moore: We have 20 people signed up.

Potter: I'm going to ask the people who have signed up to try to keep their remarks brief. You can keep them to two minutes, I would appreciate that. We have a lot of folks to get through, and so with that, go ahead and call up the --

Moore: Come up three at a time.

Corrine Paulson: We urge you to adopt the recommendations that have been made by the central eastside advisory committee. It's a product of careful deliberation, intense debate, and compromise, as has been stated before, and it speaks volumes that the two taxing districts most affected by the action, the county and the schools, signed on and the p.d.c. and the planning commission. It anticipates \$52 million in additional spending, consisting of \$35 million in new resource and \$17

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million in debt about to be issued. The committee report describes the funding strategy intended to complete the plan and leaves the district in good hands. We understand that some of you may support a larger extension, and increase an indebtedness. In the absence of an up-to-date vision for this district, the league thinks this is ill advised. If there is council desire for spending in excess of the committee recommendation, we recommend instead that the district expire schedule in august and the council direct the planning bureau to begin work on an updated plan for the district. Once we have a clear vision in place, boundaries for a new urban renewal area can be drawn to reflect current opportunities and conditions and public resources can be used to their greatest advantage. Over the years the league has encouraged p.d.c. and city council -- whoops -- to use urban renewal money wisely, urban renewal is intended to be a temporary measure. Do I need to stop?

Potter: Go ahead.

Paulson: Thank you. We would like to point out the tax increment financing is used in this district and elsewhere to pay for things like transportation projects that ideally should be paid for by a dedicated transportation fund. Last year approximately \$50 million in tax revenue was forgone because of Portland's 11 urban renewal districts. With the city, county, and schools cutting critical services, we think it's time to explore additional options. The league believes the committee recommendation balances this need and i'm just going to cut off the last sentence and say we urge your support.

Potter: Thank you.

Michael Bolliger: Honorable council members and mayor, my name is Michael whitmore, i'm on the board with the central eastside industrial council. As you may recall, I also am a member of the urban renewal extension committee for the central eastside, and was president at -- present at our workshop a few weeks ago with you and the p.d.c. Commission. At that time we stated our support of the committee's documents, but also had reservations both about the amount of funds available as well as the time period with which to do the redevelopment within the district. Specifically due to the constraints of state and metro economic conditions, the committee recommended the largest block of funds, 35%, be directed to transportation and infrastructure. This we felt was necessary to support both our existing employment base as well as to support our desire for increased employment density within the district. Most of these dollars will be needed within our aging commercial corridors, but are necessary to support projects that are important both to the district as well as the city in general such as the burnside bridgehead redevelopment, burnside-couch cuplet and the eastside streetcar, just to name a few. The problem is by focusing on infrastructure and transportation issues, we had limited funds then to be available for redevelopments of some of our aging buildings. And those would hurt us in opportunities such as the recent groundbreaking of the holman building. Also there was zero funds left available for parking issues of our already limited employment base on the commercial corridors in structured parking. So I would sincerely recommend to you that you take a serious look at our larger amount that -- on the table and -- of \$51 million in 12 years. Thank you.

Richard Harris: Good afternoon, richard harris, executive director of central city concern. And the owner-operator of the hooper detox center, located in this district. I'm here to speak in favor of extending the district at a higher amount. We've talked about numerous other occasion, but it's about the burnside-couch cuplet and the need to do something about that street both on the east and west side, but particularly in the east side just as with the west side we have pedestrian safety issues that are driving the whole idea that we need to do something to fixed street, certainly this would be a way to help that project move forward with a development that is going to make a big difference to the economics of the burnside-couch corridor. Another reason is that the extension of the excrete car is an element that will allow this part of the city to move forward and develop in real li ways that we haven't thought of, but we have seen how it works in the west side and probably the same benefit was accrue there. I'm also concerned about the ability to create a truly affordable housing in

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the central eastside. Commissioner Adams, as you point out, there's ample space to do dense housing and I think affordable housing is certainly something that can be done there, and I would in particular like to exemplify the idea of developing affordable housing in conjunction with the redeveloped hooper center, which is one of the items that's been discussed here today. I just think it makes a lot of sense to make the kind of investment in this neighborhood that would make a real difference in the long run.

Potter: When you speak, please state your name for the record.

Michael Whitmore: Michael whitmore, I live on north irving street. I'm the kearns neighborhood association representative to almost all the committees that are active on the east side. I'm on the concerns board and i'm with kerns land use chair. I currently sit on the burnside-couch s.a.c., which is the state advisory committee. The p.d.c. For the eastside, burnside bridgehead c.a.c., and the sandy boulevard improvements project, which pdot is running. So there's a lot going on in our neighborhood. I would like to speak in support of the larger extended budget, the 12-year and \$51 million budget or larger that's needed, primarily for these reasons. We have a big project, the byrneside bridgehead, and it's currently getting -- I think the burnside-couch cuplet, which is about 50 to 60% funded at this point, is critical to the investment of the burnside bridgehead. The opus development team is pretty much stated that clearly. Another important element which I think will support the central eastside is the streetcar line would connect lloyd center to omsi, and then another one which the neighborhoods have been pounding on p.d.c. For years is finding from the residential neighborhoods to the east bank esplanade. A lot of the budget went into actually constructing the esplanade, but the neighborhoods that abut the esplanade really can't get to them. I think also the inclusion of the wamo site and the 7.1 acres will be a compliment to all of the east side residential neighborhoods and to the central eastside industrial area, both for the neighborhoods and for the workers there. We've had success with the urac. I think the holman building revitalization and occupancy speaks well, and we've also had intent to retain businesses. As you may or may not know, there's been discussion about retaining a bakery, large-scale bakery with infusion of major urac dollars. So all in all, I think we have a lot to get done on the east side, and I don't think that the smaller budget is sufficient to do all of the things that really need to happen now. And I think we have the opportunity with the burnside-couch in particular to support the burnside bridgehead at the west end, but up at the top end at 12th where burnside and sandy cross --

Potter: Sir, your time is up.

Whitmore: I'll just finish. Burnside-sandy is a major traffic safety issue. Has been for years. And the burnside-couch cuplet hopefully will take care of that issue. Thank you.

Lorraine Dee: My name is laurie, i'm a taxpayer citizen and resident of Portland for 42 years. Thank you for the opportunity you've given me to speak. I'd like to say that -- one thing about Portland. The major network news shows have touted it as being the most livable city in the nation. The best place for a person to raise children. And as such, I think we have an obligation to look at that as a vision. To look at that as people wanting to come and invest in our city. I think we should hold our heads newspaper that fashion. I have a concern about the Portland streetcar coming across the river and going up martin luther king boulevard. I don't think that we need it personally, I think those transportation needs could be served by a few short buses. In my humble opinion. The other thing I am still learning and listening today, and i'm struggling to understand wherehousing would be in this district. I heard the words "industrial sanctuaries." i've just not sure how the affordable housing fits in, and I notice it was not on the map. So it was a little bit of a confusion for me. So i'm looking at that and looking at the fact that when you look at housing, you're holding it to 80,000 or 87,000 dollar median income, and i'm not sure that that's reality. Because a lot of the people in the central eastside district don't even have income close to that. I realize you have to use an

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average, but I think you lose sight of the actual citizenry when you use that. That's all I have to say. Thank you.

Potter: Thank you.

Wayne Kingsley: Mayor, commissioners, wayne kingsley, i'm a director for the Portland business alliance. Today I delivered a letter from the alliance which in short says that it supports the central eastside industrial council's request for \$51 million, 12 years, and which would amount to an increase in the available money of \$38.9 million to the district. Second, i'd like to note there's been a lot of talk -- I was also on the stakeholder committee. There's been talk about the effect of the proposal on the schools. That was analyzed in great detail on the committee, and the impact, keith can give you the numbers, but the impact was minimal, and the reason for that is the way the school funds are handled. Our funds go to the state, and they're reapportioned amongst all the school districts in the state. The direct impact on the schools was very little. The impact on the county, however, is much more substantial. Thank you for your time and I encourage your support of the \$51 million/12/7.1 acres.

*******:** Bruce indicated he would be here at the end of the meeting.

Brian Bennett: Brian bennett, i'm the manager of the burnside bridgehead project. Soon after we began to dig into the burnside project, we realized that the burnside-couch project and our project were interdependent. Shortly after that we determined also that there's a timing gap due to the methodology that was being used to fund the burnside-couch, mainly being federal funds that are -- would be due to arrive in approximately 2012 if they come. And our project is quite a bit ahead of that. I believe that the \$51 million allocation is more appropriate due to the fact that the burnside-couch project will more than likely require additional funding beyond that that is identified currently. I also believe that the streetcar project is currently underfunded in the budgets that are shown. In order for our project to move ahead, we need surety that the burnside-couch project is going to happen, and the sooner we get that, the sooner we can make some forward progress. Someone asked the question of, as to when the city would stop investing money in the tiff district and when would the area be ripe for investors to come in and to do that as a private entity. And I think that the answer to that is when the area is amenity rich and also when the area is pedestrian friendly. I saw a lot of the projects up on the board that will at least at the very least lead to a more pedestrian friendly neighborhood. So I think it's going in the right direction and I think certainly the vision needs to be worked out, it's probably not here to date to work that out, but again, i'm in support of the \$51 million.

Doug Butler: I'm doug butler, representing Multnomah county. I was a member of the stakeholders committee. As you've heard, the county board has unanimously supported the recommendation of the stakeholders committee. I think there are a couple of quick points I would like to make. One is the board specifically considered the larger 50-plus- million dollar proposal and felt it simply went too far, did not support it. When we started the process, if you would pull the board -- polled the board would you have found they were much closer to a position of saying no increase in authorized indebtedness, perhaps allow additional time to use the \$12 million in debt that had not been suspended -- expended as of this point in time. If you think about it, a couple of points i'd like to make. One is that the you stakeholders recommendation is for indebtedness of \$35 million. If you add to that the \$17 million that the city is in the process of issuing now, you have in excess of \$50 million available and we're talking about adding an additional eight years of time toll the life of the district. That's \$50 million in recent years. When you compare that, we've spent \$36 million over 20 years. We've never had this rate of expenditure, and the hit to the county is significant. \$35 million represents \$1.6 million a year out of the county's revenues. The other thing that I think is important to recognize is that for the county, much of the argument in favor of urban renewal is, yes, but at the end of the district look at all that comes back in the form of additional on the tax rolls. This is a unique district in many ways the objectives

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are just the opposite of every other district. It's not to let it have the monumental growth and valuation that you would see in the pearl district, for example. In some ways it's to restrain that and keep the job base. The board strongly encouraged job retention, job growth, economic development kinds of expenditures there. Thank you.

Adams: So the impact to the county, \$1.6 million per year, or over the life --

Butler: Per year.

Adams: Ok.

*****: It's a very significant hit.

Adams: What would the impact be without investments if -- do we know what the impact might be, do you know what the impact might be to the county if we didn't extend it? I got probably two½ -- 2½ questions. If we didn't extend it and there wasn't the tax increment investment, and it started coming back on the roll but without the investment you might not get a higher use anyway, and then what would the impact to the county be if we went to the 51, do you know?

Butler: I don't know off the top of my head. I'm sure we can look -- keith or somebody knows, but it would be proportionate. In terms of -- there's so many assumptions you have to make to say when would happen if you didn't make the investment, that i'm not sure it's useful to try and provide a specific answer.

Adams: Have we looked at what the -- based on some assumptions, but how much you pick up, how much additional revenue you get through the b.i.t. If we were to add more jobs there?

Butler: I don't have a specific number, but it is very small in comparison to what's lost in terms of forgone taxes here. And i'm not sure I can read the chart fast enough to answer the question.

Potter: Let me ask you a question. For each tiff dollar that's set aside, how much does the county lose out of each dollar?

Butler: We lose a little over a quarter of each tiff dollar. So the board did unanimously support the recommendations. They put a lot of stock in the -- they truly did move in their position. But simply felt -- they also felt very strongly that there was a large percent of the budget that's devoted to things like infrastructure, which in an ideal world the city might pick up in other parts of the city and that the tiff dollars might be more focused on economic development.

*****: Hello, city council board and mr. Potter, mayor, hello. Thank you for the opportunity for a somewhat open forum. It's terrific.

Potter: Would you state your name for the record?

Lindy Sern: My name is lindy. Portland, Oregon, the architecture in Portland has been dated back to 1911, and completed in 1913. The architecture in Portland is unique, and the differentials from building-to-building is what makes Portland the -- beautiful, the beautiful city that it is here. In past history I think in past history I think the concern of the stanniality and building, and the buildings in Portland and the stability in the buildings in Portland, the decisions were made but there was no exuberant changes, basically, changes. Our generation, we're a new generation now, and I think that we have taken into consideration that we have taken into consideration our luxuries, the importance still, the importance still of our city, but that we can be relaxed a little bit because we didn't have to worry about it before it was already substantiated, it was already stability. But our forefathers, our past generations saw to that, and we are new ideas. I don't always think a new idea is a good idea, I kind of like the old ideas. I also kind of like it it was such stability it didn't even take a mention. We didn't have to discuss it, I didn't feel it was going to go anywhere. Actually, it wasn't a threat, so since that was already decided, since that was already decided, I was very comfortable living in Portland, or in the vicinity of Portland. Now I am taking on another opinion, now i'm taking a little bit of a different opinion, maybe a mention, maybe a mention is good, but downtown Portland just recently there has been -- there's been sporadic, there's been sporadic construction, and I kind of hoped maybe nobody would notice, but actually I don't think that's what happened. The result is is a difference. The result is a difference in the way you go into your city

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every morning, it's not the same city anymore. I like our old original, I like our old original city. And the comfort and the thought process, and the mentality, and the comfort of actually knowing that this stability in our city, and I don't have to worry, I don't have to worry about that because I can be consistent, I can keep my train of thought, I can --

Potter: Ma'am, your time is up.

Sern: Thank you. But I wouldn't like to see that change in our city or outward. Would I like to keep the historical integrity. I would like to keep the historical integrity in our city and outward. Thank you. Thank you.

Potter: Thanks for being here. Please state your name for the record when you speak.

Eugene Eichelberger: Eugene eichelberger, a member of the wasabi paddling club. We're currently a tenant of the holman building, which is the south side of the hawthorne bridge. That area is my concern, why i'm here today. There's been a long-standing plan to put a park as part of the funds in question. With the transfer of the holman building, we would greatly encourage the council to look at encouraging access to the river from that location, which it has already done so with other construction projects. We would greatly like to see shelter, if not a real Portland boat house at that location. One that's in public hands, and in -- that can be -- that's use -- that use can be dictated by the city for all time. The wasabi paddling club is coming off an awesome rose festival dragon boat this past weekend, the festival is a great success. The paddling club is growing by leaps and bounds, and we would like to do anything to greatly encourage the development of this area. We are already there, we're there seven days a week, I believe the kind of people that we're trying to encourage into this area of the city are already there. We would -- we would like to work with the council to further these ends. Thank you.

Potter: Thank you, sir.

Robert Rogers: Good afternoon. I am robert rogers, a commercial real estate broker for the past 30 years, the close-in southeast district has been my real estate farm. For our city, ceic is the center of the source of many light industrial businesses. I would also say that i've also been the chairman of the -- i'm a member of the board of ceic, but i'm also -- I also have a subfactor, a get to know your neighbor tour business, so i'd invite all of the commissioners to attend each month if they wish torque the tours, and we'll make sure you people are made aware of it. Our city needs more light industrial uses, so I encourage you to strongly support our recommendation for the renewal of our district. Thank you.

Tim Holmes: My name is tim holmes, I am the president of central eastside industrial council, chair of the burnside bridgehead c.a.c. committee, citizens advisory committee, and I live and work in the central eastside. I had a pretty cool speech, it's interesting that it takes three hours to write two minutes. And that i'm throwing it away to comment on some things i've heard today. And one is that it's frustrating to me to hear people say there's no vision. The people possibly that are saying that, maybe the vision that we have isn't really matching what their vision is, and that's why were saying that. I don't know. But there is a strong vision in the central eastside, and you can drive down and see the vision today. One thing that is missing in my mind from the planning department is a vision for i-5, whether it remains there or whether it goes away, that can be planned on. And it needs to be planned on. The next thing I want to talk about is the u.r.a. As a philosophy. If you don't believe that the urban renewal area should be used as a tool, this is not the venue to discuss that. That venue should be somewhere else, and not in the central eastside's urban renewal extension. It is a tool that is available, and the city needs to take advantage of that tool to further the city and reach the goals and visions that the central eastside is capable of. No signature project? You're right, there's no big shiny carrot hanging out there. The central eastside is the project. We need help with infrastructure, traffic infrastructure down there, building infrastructure, the seismic upgrades, everything that's been talked about here today is key in keeping the middle income jobs in the city of Portland. If we want to make another pearl district and have gallery owners and low-

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income housing, and that's what the city of Portland is to become, fine. But that's not really what I would think is a viable, livable city. A viable, livable city would include blue-collar jobs, and that's what we're all about. By providing the infrastructure down in the central eastside, you're retaining businesses, you're attracting not businesses from other parts of Portland, but businesses from other parts of other states, other parts of the world to come here and the reason it's needed, the reason this funding gap is needed for this giant project which is central eastside, is that it's -- you have to -- we have to be competitive with tilt-ups out in the suburbs, otherwise, yes, the central eastside will stay the way it is now, and that is not going to benefit the county in the future, that is not going to benefit the city of Portland in the future. We ask you to adopt the higher amount. We worked long and hard, it's true, on balancing how much really might be needed versus forgone taxes. Keep in mind forgone taxes, if the county and the city are planning on forgone taxes and bolstering our budgets right away, it's still, what, 10 years out before any dollars will come in for forgone taxes. There is a housing strategy in place for the central eastside and urban renewal area. And the very exciting thing, i'm sorry i'm talking fast, the employment strategy area is just about the most exciting thing that could happen to the city of Portland. The higher dollar amount puts money into creating that and helping that develop. The whole plan is to create catalytic projects and infill them in between. Burnside-couch cuplet absolutely necessary. Without, keep in mind, without the burnside-couch cuplet, you'd probably postpone or not have the burnside bridgehead project, without the burnside bridgehead project, the tax increment dollars will slow dramatically, and the money just won't be there as commissioner blomgren stated. Therefore, we need all of this to work together. Thank you.

Susan Lindsey: Mayor and city commissioners, I also want to address, I hadn't planned on this, but I want to address this vision issue. I think it's extremely visionary to maintain and expand an employment base that offers close-in family wage jobs. These jobs are essential for the well fare of families in the city who are increasingly driven out to the outskirts of east Portland due to the redevelopment of real estate for high-end condominiums and retail development. Often times the only vision that we ever hear about when people talk about this vision thing is burying, moving, demolishing the freeway, which is a multi billion dollar, decades-long project, and flipping the district into high-end residential housing for the wealthy. And my concern is that will further drive the working poor out into outer Portland and further away from access to the cultural amenities and transportation and the river that we're all making such an effort to embrace. I think we really have to be thinking about this when we're talking about this term of lack of vision. And this is no -- this isn't meant as a criticism, because I keep hearing it. I think the vision may be already happening, which is jobs. As a member of the stakeholder committee, I support the larger amount, the 12-year, \$51 million, which I still believe is conservative, considering all the work that needs to still happen in the district in regards to transportation, economic development, story front improvement, and essential seismic upgrades. The Washington high school project is an essential redevelopment project that knits together the vulnerable area between the industrial -- between the industrial area and the adjacent residential and commercial zone. Supporting the beginning and the foundation of this property for a community center with sports field and swimming pool support, families and children in the inner eastside area currently underserved by programming and parks facilities. And just one aside, I want to mention something about the essential burnside-couch redevelopment project, transportation project on the east side and also the eastside streetcar. Both things while they are dependent on issues having to do with funding, I want to also bring up that right now there are other issues involved with them, and one has to do with the uncertainty of the capacity issue on the west side of burnside, which has now raised its head and is a topic that we're talking about, so if there's more certainty with west burnside, I think there will be more stakeholder involvement and push towards proper funding for burnside-couch on the east side, and the same thing is true with the streetcar, that despite all sorts of efforts over many years, there still seems to be a great deal of

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uncertainty about the alignment, even though the area -- I agree, commissioner Adams, there's a great deal of area for expansion along the corridor, and we're supportive of that. And -- but there's there still seems to be a continuation of push-back, and we're concerned about what that will do in terms of getting proper funding for the streetcar project.

Adams: Good news to report in the metro committee that's designated to work on the alignment. Last week voted to recommend to the metro council the m.l.k.-grand cuplet streetcar. So it should be before metro council I think in two weeks. So we made progress on the streetcar alignment.

Lindsey: That is great news. We're concerned that we're seeing the end of the line right now at Oregon street where we'd like to see it forwarded to morrison.

Adams: I agree.

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

Bill Young: Bill young, i'm here primarily as a citizen advocate for river access and implementing the vision of the river renaissance and the city's river plan. I retired, I spend a lot of my time trying to connect people to the river. I belong to several organizations, one is the Portland boat house, which I know some of you are aware of. We have a 20-year lease, we run the risk of being priced out of our lease at the end of the five-year term. We'd very much like to stay there. We think we contribute a lot to the community, a lot to the waterfront, and a lot to the vibrant downtown core. And my testimony is just to remind you that part of the vision, if we can use that word again, for this area is along the riverfront, and that you take that into account as you consider this proposal. Thank you.

Michael Powell: Mr. Mayor and commissioners, michael powell, the vice chair of the Portland streetcar inc. Also i'm on the advisory committee for the burnside-couch cuplet and chair of the friends of burnside-couch. I would be here to speak to encourage you to do the renewal of the urban renewal district and at the \$51 million level. A lots been said about othniel askew both of these projects. I'll point out that on the burnside-couch cuplet, while the bridgehead project is critical to the success of the community, at the other end of the project at 12th and sandy, several other exciting things are happening, and they're outside the urban renewal boundaries, so the tax benefit was accrue immediately. One of which is the development plans that are beginning to move forward on the 7-up properties, and the two new blocks that would be developed out of the reconfigured intersection of sandy and burnside and 12th. Two new whole blocks of developable property that would represent an interesting and exciting opportunity for development. Streetcar faces lots of funding obstacles. But we're working on it. I've been working on it for a long time, commissioner Adams is heavily involved as well. Our goal is to find a local match for federal money and this is our first federal project for the streetcar. 60% funded by the federal government, we hope. And the extent that we can move this streetcar through the community and down to omsi is going to be dependent on availability of funds from this renewal, and matched by local improvement district, matched by federal money and other monies. We'd like to see the circle completed on the streetcar, obviously how far we go will depend how much local match there is. Thank you.

Potter: Thank you folks.

Bob Wentworth: Bob wentworth, central eastside industrial council board, also on the burnside bridgehead stakeholders committee. I want to thank you, mayor, and commissioners for their time today. We would like your support in increasing the urban renewal district. The east side needs this help to get momentum going. We built a building there on burnside and grand and couch and p.d.c. Says don't worry, we're going to keep things charging, and we haven't really seen that. We've seen the talk about the bridgehead, but we need the cuplet for the bridgehead to work. We need to keep the momentum going. I hate to see it stall. We want to create new development, and most importantly, jobs. We need to -- jobs. We need to work to make sure the eastside cuplet is funded. This will allow for development of not only the bridgehead, but the two new blocks

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between 12th and 14th. The development of six potential blocks is the reason for an urban renewal district. It will take blighted -- more importantly, taxes. We need more tax paying businesses in this central eastside. I want to -- I respect and appreciate all the time that the urban renewal stakeholders committee took. I am concerned about the public process that led to such a small dollar amount being presented to the city council. The fact that a vocal minority was able to influence the outcome as much as it did does not seem like good public process to me that three neighborhoods and all the businesses are in favor of higher amount and that does not get carried forward. Hopefully this should be addressed in future meetings. We look for your support. Thank you.

Nick Shur: Good afternoon, Nick Shur, I'm a million of years. I'm an architect in Portland as well. I'm here to support the urban renewal project. The larger amount if possible. I'd like to address several of the things that we've talked about today. I think the one thing that I'm very concerned about is this issue of housing, and I really do not feel in my experience as an industrial architect that housing and industrial sanctuaries really mix. My feeling is that housing can go anywhere. It doesn't -- housing per se does not create any jobs, and it does provide certainly livability, and there are lots of housing issues, but finding a place for industrial activities and looking at a job creation, I think is something that is not that simple and easy to locate. The current ceic, the central eastside industrial district has a number of businesses that did not just get built overnight. It's taken years for them to evolve, and they contribute it tremendously to the sustainability, the policy of sustainability in Portland, and I urge your support. Thank you.

Adams: Take a look at the actual zone can map along m.l.k. And grand where most of the e.x.d., which would be used for housing, is located, and give me your sense after you look at that sort of, where the potential conflicts are. I think whoever did the rezoning really tried to focus it on the m.l.k. Grand area where there currently are a number of redevelopment opportunities.

Shur: Right.

Adams: I any your concern of, you don't want a lot of -- a lot of people don't want to live right next to an industrial, you know, facility is a good one.

Shur: You're right. That particular zoning allows housing, I don't know what the concern is. Were you talking about economic forces, the 1960's, or the 1970's, 1980's, 2000, why the district didn't develop. There are opportunities for housing, and I'm not -- although my focus is industrial architecture, I'm not opposed to high-rise housing. I think the sort of thin buildings that are in Vancouver are very nice, and they are much nicer use of the site and they open up the city for views. I wouldn't mind seeing some of those over there on the eastside. I personally live on the east side and I think it is a housing model in itself. I live just east of the central eastside, and I drive through it every day, and I think that is a housing model that works. There's all kinds of commercial there. It's not that big of a district, and it's very sensitive to I think encroachment by other uses. So that's my only point.

Adams: Thank you.

Brad Malsin: Brad Malsin, beam development. Thank you, mayor, and city council. I quickly want to address a couple of things that I've heard here about first of all about vision. I think it doesn't take a great deal of imagination to see the potential for this district. I have personally tried to start some incubation in terms of jobs and business opportunities. I think it's not hard to recognize that an industrial sanctuary can be adjacent to housing. The m.l.k.-grand corridor represent as great transportation hub and a great residential work force housing opportunity. We need to pay attention to that. We need to try spots of encouraging developers to come in and try projects such as this mixed use residential along m.l.k. And grand. We also have a great opportunity to support new businesses. We're talking about stealing businesses from one area to another, how about the creation of new business? We have a lot of people coming to Portland who want to start new businesses, who want to -- who leave one job and one to create an independent

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opportunity. I think my experience in the various buildings i've done in the central eastside, I hope represent a vision of the future for the central eastside. They certainly I believe represent the opportunity for business incubation, they certainly represent a number of jobs, I could easily cite numbers, and -- for an example, the commerce center, they now have over 275 jobs and 60 companies in one building, 82,000 square feet. Building across the street, water avenue, 75,000 square feet has another 220 jobs, another 55 companies. So are we lacking vision? Are we lacking the opportunity to invest? I certainly support the \$51 million, I think we have a great opportunity to create and to sustain a unique district and incorporate a lot of what the future of Portland needs to be about. Thank you.

Potter: Thank you, folks.

Michael Zokoych: I own michael's italian beef and sausage company. I'm a member of the business development committee of the central eastside industrial council. I also have my business in the southeast central eastside industrial council area. I'm here to express support for the u.r.a. And specifically the larger proposed amount. This is also a conjunctive statement from our committee as well as a personal statement. I'm here to talk briefly about our vision. As the developers from the west side of our river have a vision of a city in a particular mode setting tax basis and lifestyle, there are other people in the city who have a contrary and contrasting view of what quality of life is. Many of us have invested our entire lives and our children's future in other areas of the city specifically the central eastside. With a different vision. With all the development that's taking place in the city, in the core area, the central eastside provides the largest home depot store probably in the whole city. You could probably take every home depot store and lowe's and put them in the central eastside, and they are supplying the entire building projects that are going on here in the central city. They are business-to-business, they are manufacturing oriented, and they also will be able to handle the tax increments by providing retail as well in connection with their manufacturing. What the vision is I believe is only germinating at this time in the southeast, and yet to be realized. I think there's a nucleus of vision that still needs time to develop, and with your help in providing a sanctuary through the zoning, and funds to back up the development on the east side, we'll be able to realize a new vision and a new industrial vision, a new manufacturing vision that revolves itself around the urban inner city lifestyle. Thank you very much.

Adams: Thank you for your meatball sandwiches. Those are great.

*******:** My pleasure.

Mark rosenbaum: Mark rosenbaum, i'm a member of the Portland development commission. I just wanted to provide some additional comments as a commissioner about the process in terms of deliberation, and particularly in view over the many sessions we've had about a collaborative relationship. And just try to give you as much feedback as I can relative to the decisions that we came to. I think the commission took very seriously the question of vision, took very seriously the question of, is this the right amount of money, and how do you analyze it. I think when I reviewed the minutes of the meeting, the overwhelming concern that the development commission had was, how do you weigh the competing objective of building jobs and not having rents go up to a point where people can't afford to say where they are? And -- to stay where they are? The issue is with a large infusion of cash in a short amount of time, how do you avoid not displacing the very people that you hope to advantage? And we couldn't come up with a way that we could quantify what this velocity of dollars would do in such a short amount of time in a way to answer that question conclusively. So the majority, unanimously p.d.c. Said, we want to go with a more conservative outlay within the confines of what the planning department said we wanted to accomplish with that area. Now, if you overlay additional concerns such as transportation with burnside-couch, or additional housing that you'd like to see in the area, it seems to me that an additional charge to the committee saying, we'd like you to look at additional investments that would normally be over and above what a committee such as that would look at. And I wish for doug's sake that that concern

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had been raised early enough that the committee could have evaluated it head-o but I just wanted to say that the major issue in terms of our vote related to, how do we avoid displacing the folks that we hope to help, contrast to what commissioner Adams talked about, there's an opportunity here to create additional housing and other things which you want to look at as well.

Adams: I think it's -- I appreciate your comments. I think that's the crux, I think we're both at a crux and a crest, or a turning point, to put a whole bunch of metaphors on the table, some of the lessons of south waterfront and the pearl district as it relates to housing is that unless we invest in it, what gets built is usually out of the reach of a lot of people. And I think a lesson I want to try to avoid learning in the central eastside is only the kinds of companies that are willing to pay a premium to move into older buildings for the seismic upgrades are going to afford to do that. And usually it's done not because it's the most efficient or maybe the cheapest space, but for other reasons they choose to make that kind of investment. So I fear that we will price out the smaller kinds of companies that exist in the central eastside now. That's my fear. I don't -- I see that happening in other parts of the city, so I think unless we make some affirmative investments in housing, unless we make some affirmative investment and then get a dictate potentially some affordable terms on seismic investments into buildings for small businesses, it's going to gentry identify. So I share your concern, and I look forward to talking to you more about it, unless we be more affirmative, the market is showing us they'll do stuff, but out of the reach of a lot of people in our community.

Potter: Thank you, folks.

Susan Pearce: Good afternoon. I've been jotting down some comments as i've been listening. I'm susan pierce. You have my address on record. I'm a representative to a number of the central eastside industrial district and central eastside committees from hosford abernethy neighborhood association. Most if not all of you have already seen a copy of a letter in support of the work that the stakeholders committee has done and the \$51 million extension, and i'll be sure that you have yet another copy or a first copy, depending on whether you have the original. I don't have it with me today. I would urge you first of all to recognize that hand supports the family wage jobs, and -- made available in the central eastside, we support the maintenance and the -- what's the word, preservation of industrial districts, and I think this is important to remember for what I believe is your next agenda item. I'm not going to be able to stay for that. I would urge you to listen to the testimony already received from central eastside particulars, the people who live and work there, recognize that there is a plan, you've been hearing about it this afternoon, and there is a housing strategy. There was -- that has been developed that would support house can in areas currently -- housing in areas currently zoned to allow such and really aimed at the 50%-within00% m.f.i. This was not discussed at length in the stakeholders committee, it was recognized, but other issues appeared more important. The urac will continue to look at line items to detail how the dollars are actually spent. So recognize that as a way that that will be done. I urge you to support the \$51 million. I think i've covered all my notes. Any questions?

Potter: Thank you.

Nick Haley: Good afternoon, nick haley, i'm a member of the Portland boat house, i'm here to continue to advocate for river access via the Portland boat house or something similar. As i've been listening this afternoon, I don't envy your decision. It seems like there's a lot of uncertainty as to what could or couldn't happen in the district. I want to be very brief about a couple of things I think I can speak to with reasonable certainty. The first one is that we want to continue to foster access to the river. It's a unique gift to our city, and I think I can say with reasonable certainty that we want to be in a position to manage that gift, to educate people to take care of the river and be good sponsors for the river. I think I can also say with reasonable certainty that so far the Portland boat house has been an overwhelming success. We are not only at capacity in two years, but we're nearing the point now where we're bursting at the seams. And finally, I think I can say with

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reasonable certainty that as long as the boat house is located in the east side, we will draw people not only from the east side, but through the east side from the rest of the city, as we're doing now. And regardless of what happens to the east side, whether it be housing or light industry or whatever, people will be coming from all over the city to get to the boat house through there, and can only help. So I would ask that you continue to include the boat house in your thoughts for the future.

Bruce Wood: Good afternoon. Bruce wood. I'm part of the development team. It's nice to see everybody again. I'll be very brief because I know brian was here earlier. I'm here today to testify in favor of the extending the district. There's a lot of discussion about the amount, but I guess from my standpoint, the burnside bridgehead, the extension of the district and the burnside-couch transportation project, even though they're not necessarily linked, they are very interdependent from each other, and it's critical that the burnside-couch transportation system be in place as quick as possible. That is the engine that makes the district work. By extending the district, increasing the amount of money available, whatever that number is, that gives people more tools to have that happen. There's been a tremendous amount of work and effort to find a way to get that thing built, and we've made a lot of progress there. We're not there yet, but a lot of good things are happening. This is just another piece of that. And if we can get that thing funded, we've got two projects, ours the burnside bridgehead, and then even the 7-up project that the value of those alone probably fund enough tax dollars to pay for that improvement over three or four years. It's not one year, but again, it throwing off that much revenue. So with that in mind, I strongly urge you not only to extend the district, but also to continue to affirm that commitment to the burnside-couch transportation plan. Thank you.

Moore: That's all.

Potter: This does move to a second reading.

Moore: There's an amendment. Did you want a motion on that?

Potter: No --

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

Potter: There won't be an amendment submitted at this time. But I do want to extend the next date in order to have another work session on this. I've polled the other council members and we think it's appropriate that we have a work session to look at the different options available to us.

Moore: Ok.

Moore: Did you want a return date for this?

Adams: If our decision-making, keith could be informed by the -- if our decision-making could be informed by when you needed action from the city council --

Leonard: Maybe i'll help. I was intrigued by some of what doug said in terms of potentially being able to have amounts different than the two options forwarded to us. Some of the information i'd received was that because of notification problems that might not be possible. So I was actually interested if we're looking into this more, is that what I understand? There have been some discussions about other projects that didn't make it to the list that I would be speaking for myself very interested in seeing the amount of, and if they're above the \$51 million, how much, what are the projects, what would we be buying, I would be interested in pursuing if I understand you, isn't that what you were saying, that was a potential for us to look at?

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

Leonard: I like your advice, though, so we'll stick with that.

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

Linda Meng: There's a couple things. Substantial amendment to the plan has to be done by a nonemergency ordinance. So that means it can't take effect, it has to have two proceedings and then takes effect 30 days later. So if the plan now terminates in august, august 26, you'd have to have it take action by the 30 days before that. So --

Leonard: July 26 we have to have done something.

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Meng: Yes, to extend that. I think what -- you'd have to have the second reading by then.

Leonard: Today is the first reading. So whenever we schedule the second reading we can vote on it, assuming with do -- if we do an amendment, don't we have to wait for another reading?

Meng: But I also do believe that if you're going to do something that was not noticed you have to go back and begin the process again. And i've looked at this, i've discussed it with bond council as well, and there's serious concern about the validity of doing this substantial amendment, the statute says you have to do it in the same manner that you do a new plan, which discusses going to the planning commission and going to the other jurisdictions.

Leonard: A substantial amendment?

Meng: Increasing the amount of the money, increasing the size of the district are both substantial amendments under the state statute. And the plan can identify other items that are substantial amendments, but those two things are under statute.

Leonard: So we are limited to what the two proposals of the p.d.c. Are unless we renotece everybody?

Adams: Two proposals that were noticed.

Meng: Two proposals, the 35 and the 51 were both noticed, so -- and they both went through the planning commission process and through the review with the other taxing jurisdictions. So those two are options before the council. If you want to do something else I believe you need to go back and go through the process again, and i'm not sure there would be time to do that. I think what doug was talking about, I don't mean to speak for you, doug, you could do this now and come back later and do another amendment. That's what I understood him to be saying.

Leonard: Ok. Selective hearing.

Meng: You still want his advice?

Leonard: I think he did say that.

Adams: We did like his advice better. [laughter]

Leonard: I agree with the sentiment that this -- I guess you just happen to be there so you have to hear this, i'm not asking you to respond, but I do agree with the sentiment that this is an area that in my view is one of those urban renewal areas that truly were the kinds of projects that were envisioned for development commissions. Some may argue whether some other projects are or not, I think this is an area that will benefit greatly by our investment and I am to the extent that we can help with earthquake retrofitting, seismic upgrades, and those kinds of projects, i'm persuadable on that, and to the extent we don't have money in the budget for that, i'm a little disappointed. I would like to be able to give this area a shot in the arm. I think it will pay back in the future handsomely to the taxpayers. More so than other areas.

*******:** You --

Potter: You don't have to comment on that.

Leonard: I was just using the opportunity to say it.

Potter: Did you have a statement to make?

Witcosky: No.

Potter: Ok. I think what we have to do is to coordinate to see who's going fob in town and who's not to try to set the work -- the work group meeting as soon as possible. And then from that determine with the lead time if there's -- we're not going to make an amendment, actually. We don't have the time. Decide of those two scenarios which we would choose and --

Leonard: Mayor, I guess i'm just asking this just so I understand our time frame. If we have two, and I understand we have discussed this formally, i'm curious to the response, if we actually have two written recommendations essentially, I guess i'm curious why we wouldn't adopt one and then reserve an opportunity for more comment or process, and at that point if there's a change we could amend it again then, but if we do that now, we can actually vote the next time we meet on this. In

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we wait until next time to amend it, don't we have to wait? Aren't we setting ourselves for two meetings, in other words, by postponing amending anything into this now?

Potter: I don't know, I thought I heard the city attorney say we, not amend it.

Adams: You can make one amendment. We could amend it for the higher amount --

Potter: I understand that, but within that it's already -- there's already an outlined budget. And is so what we're saying is we expect that budget. Is that right?

Witcosky: You'd be saying if you wanted to do the 12 years and \$51 million, is it -- you're comfortable with the investment priorities knowing those will ebb and shift with your input and other people's input?

Leonard: My point is if we don't accept that today, and we wait to amend it another day, then we have to wait till another hearing so we're actually talking about setting up two separate hearings before august 31 versus us taking some action today, accepting an amendment, then we would set one more hearing and adopt our final proposal, unless we wanted to amend it again.

Saltzman: If we're going to choose a proposal today, I don't see a need for a work session.

Leonard: Because you could amend it again. You could have a work session and if there's some other recommendation that comes out, we could amend it again. But you're setting yourself up for two more meetings. We -- if we don't --

Saltzman: We can come back on whatever date, as long as it's 30 days, I guess july 26, and vote on either one of these and meet the notice requirements.

Meng: I believe you have one ordinance before you and two options were noticed. So if you wanted to adopt the ordinance before you and not amend it, then you can wait until 30 days before august 26 and do that. If you wanted to move a substitute for the \$51 million option and you then have to wait a week after you make that amendment.

Leonard: The question is, what i'm hearing the mayor say is, pick a date when we're all here. If we pick a date and pick the \$51 million at that date, don't we have to wait another week? I'm suggesting we might want to consider adopting something today so that in our next date that doesn't preclude us from doing something different, but we also allow ourselves to make a final decision at that time.

Adams: I've distributed and amended the only amendment we could make in compliance with the notice council has before us. Can I ask a further clarifying question while we consider what -- commissioner Leonard's comments?

Leonard: They're not so much comments as observation of our procedure, and you're setting yourself up for two hearings if you don't adopt the \$51 million today. I just want you to know that. We're having to coordinate two different dates.

Potter: Or the \$35.

Leonard: I guess the \$35 million as well.

Adams: Is our action, our action sets the total amount, and in doing so do we also approve the sub-- the way the money is allocated by that action? By that council action? No. Ok. It's just the total amount.

Sten: We're just setting the amount.

Meng: I think they were described as exemplary projects, but those are not specifically committed to.

Adams: This is my first tax increment vote. What do you think, mayor?

Potter: Let's go ahead and call the vote.

Leonard: I guess I have to ask, are we not --

Potter: We have to choose the option, don't we?

Leonard: I'm mindful of the informal discussion we have so I don't want to necessarily confound that. On the other hand, I don't know that we are contemplating or have time to actually coordinate

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our schedules for two votes. In that context is it in order for me to move the \$51 million -- is it an order for sam to move the --

Adams: No. It's not.

Potter: It's an option. It's not an amendment. Isn't that correct?

Meng: It would be a substitute ordinance. Both options were noticed, but the ordinance that's actually in front much you is the \$35 million.

Adams: Really what you're saying, commissioner Leonard, is what's the starting point for our discussion if there's no future future discussion.

Leonard: What i'm saying --

Adams: If there's no further action it would be whatever prevails today, if the amendment prevails today. Lying and if we know what we are going to do, I suggest we amend something into it today so we avoid having to have two different --

Adams: Can I pose the amendment --

Sten: Can I try this a different way? We're going to be in a rush to do something before august.

Leonard: Yes.

Sten: What i'm concerned about I think is what i'm guessing you are concerned about, is how the money gets spent, given the two options we're setting a budget but not an actual project piece. That's what I think I need to take more time on. I may be willing to make an argument we should do more in this district, but I don't think that can happen on the time line, so we have to go back out as a council and notice those things anyway. So I think what you're saying is make a choice on the dollar amount today, and then have a little more breathing too many of room to talk about the process at this level for making the investment decisions.

Leonard: And we'll only need one more meeting to take final action if we wait and do what we're -- we had earlier -- we had contemplated earlier, it's going to take two meetings.

Potter: Then --

Leonard: I'm waiting for sam to move his --

Adams: I move the following amendment to the ordinance. The clerk has a copy of the amendment. It would insert a new number 11, stating that the city council considers materials forwarded by p.d.c., the planning commission, and the input of the community and believes additional time and resources are required in order to eliminate blight and invest in economic development activities within the current and expand plan area, the new number 12, the plan prefers an amendment which extends the last date to issue debt to august 26, 2018, increases maximum indebtedness to \$104,979,000 and expands plan area to 688 -- 688.1 acres. And then just renumbering of the last two existing clauses.

Meng: There is a typo in number three that the mayor pointed out, it says 2004, that that be amended to say 2006.

Adams: Thank you. We'll amend number three to say 2006.

Leonard: Second.

Potter: Of the two options, the two options are \$35 million or \$51 million?

Meng: Yes. And the extension of time as well.

Potter: Did you just hear commissioner Adams?

Meng: Yes. The 104 is the total amount.

Witcosky: The two options are essentially setting aside the duration, you want to increase indebtedness to 88.9 or 104.9. That's the number you want to focus on.

Potter: Then the net increases are 35 or 51?

Witcosky: Correct.

Potter: Ok.

Leonard: Have you included the \$51 million in your --

Adams: That gets us to \$51 million.

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Leonard: Your amendment?

Adams: Yes.

Leonard: Ok. Because the mayor is saying \$35 or \$51 million. You're clear we're voting on \$51? Ok.

Adams: It's been moved and seconded.

Potter: Call the vote.

Adams: Aye.

Leonard: Aye.

Saltzman: I'm going to oppose the amendment. I believe that there's been a lot of good process around this amount, and a lot of good thought about the amount of indebtedness to incur further for this central eastside area, and I really think the stakeholder process, the endorsement by the p.d.c. And the planning commission, I really are strongly persuasive over my decision to support the \$35 million, and I also think the comments that mark rosenbaum just made about the p.d.c.'s analysis in terms of the velocity of investment perhaps undermining one of the very tenants of the central eastside area, which is to protect the jobs that are there, carries great weight with me too. But it comes down to the amount of processes gone into this and I think it's been a good process, and the concerns about the wisdom of the higher amount, and also the impact on our other gov income jurisdictions. I'm right now planning to ask the county commission to revise its library levy because of its impact on compression on our parks levy and our children's levy, and I think there has to be a certain amount of honoring the neighboring jurisdiction that needs to be elevated between our governments and the school districts as well, and I think supporting the lower amount is consistent with that area where I want to see us move into. So I vote no.

Sten: There's a lot to this debate. I think it's been very good and thoughtful on all sides. I agree with commissioner Saltzman we need more money back on the tax rolls, and I won't go on and on, but given the various planned and unplanned consequences of our tax caps, it's taking too much of a bite out of general fund for all the jurisdictions, including schools. It is however, this is not the whole subject of this, but it's been my conclusion looking at this it's too early to move on the central eastside. I think we failed in the mission of trying to get the tax rolls, and i'm probably going to support closing down two of the downtown districts in the near future. I think they've been on the books a lodge time and the turnaround by safeway and south park blocks and certainly in the huge parts of downtown is unmistakable and the dollars at stake are much higher. So I believe we need a citywide strategy to get more back on the books, but i'm not sure -- I think this may -- this one may be in my opinion too early. I think we may be giving up on than area that is a place we need to keep pushing on. The argument is difficult. Let's make this different than what most places have in the core, let's make it vibrant but not so expensive people can't stay there and I think the pressure is going to be to redevelop the area. I spent a lot of time walking around, talking with major property owners new to the game down there, and it's their opinion we need to push a little bit more. I don't see it as self-serving. We're almost there, and you're going to see a lot of private investment coming. That being said, I don't just say let's add to it 51 and go at it. I think we need more work. And I -- when susan was talking it's great back and forth, ei maden -- in trying to be quick in my opening, I used vision too losely. I look at the extension, I don't see a sum total of projects that I believe is going to get where everybody in this room wants to get. There's difference in what people want, but not a ton when you're slitting up here listening. I am not convinced that this extension strategy is there yet. I think it has a lot of pieces for a lot of reasons. I'm hoping this extra chunk of money can net a few more -- knit a few more things together. I think, I think about the edges, the Washington monroe site, hooper housing, things I think everybody cares about, but there isn't enough to deal with. So I think we're going to need more process, a work session is in order, but i'm very appreciative commissioner Leonard's point, by just going and setting this tone, we could decide not to issue all those bonds as well. That is legally possible. So it gives us a

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chance to now come back and rather than have a rushed conversation over the next 30 days, talk this through. I want to thank Doug and the committee, I think everybody worked very hard to put a good piece in front of us and I think a piece that was very responsible. I just think it's worth looking at what would happen if we go the next step. So I vote aye. Thanks again to everybody for a good discussion.

Potter: The next year the city is going to take a big hit, and I agree with commissioner Saltzman's concerns about not honoring this process, not looking at how this is going to impact Multnomah county. I don't know we've got enough fiscal information to make those decisions to raise it to \$51 million, so I vote no. [gavel pounded] it's carried. Now we need to develop a work session or can we do that later? Are we going to have a work session on the specifics?

Meng: Are you intending this to come back next week or are you going to set a new date?

Leonard: The idea was to give us breathing room closer to your deadline so we could do the work session thoughtfully.

Meng: We should continue this --

Saltzman: We just passed the higher amount --

Meng: As an amendment.

Saltzman: We agreed the investment schedule is not necessarily binding, that those actual investments will be subject to further discussions. I'm not sure what the urgency is anymore for a work session. How the 51 gets spent, since that's going to be subject to a much longer discussion.

Adams: I would like the work session to occur. I'm interested, the vote on the \$51 million is based on my understanding, the briefs had, I want to learn more. I also know based on observing past council action even though the subcategories are never considered binding they quickly turn into binding amounts as soon as the council votes. So I want to have a good discussion about that. The amendment we made today that allows us to move quickly if we -- if there are three votes on council to go with 51, but I want that discussion about what's inside of it. I want to understand more. I think we need the 51 million has to answer all the questions. I have questions before I'm ready to vote on the final form of this ordinance.

Saltzman: The investment schedule is not part of the ordinance.

Meng: That's correct.

Adams: Do we ever vote on the sub? Do we ever vote on the percentages?

Sten: That's our ago discussion about their budget.

Witcosky: You'll vote when you go to issue bonds --

Adams: My impression is that you walk out of this room after that discussion, and any time anyone tries to do anything different, people always say, council considered it, there is a public process around it, and we can't do anything with it. So I'd like that discussion.

Saltzman: That's not the case any longer.

Sten: My sense is we don't have a burning -- we don't have to have a July work session, but I'd like to have one in the next couple months. What I'm trying to build on is a very dynamic community conversation that's going on. And I think we don't want that to get stale. We want to -- stale. We want to figure out what the next step is. And I was a little flat today in the sense I thought we had a really dynamic discussion with the planning commission and p.d.c. And a lot of back and forth and the same proposal that precede that work session came in. Not even a suggestion of here's something else you can try. So I'd like to see the council stay on this atomic and push in. But I agree it doesn't have to happen in conjunction with this vote.

Adams: I would feel more comfortable if it did.

Sten: I'm done.

Meng: We need to set a time for the second reading so this is continued.

Potter: I'd recommend early July.

Moore: Do you want a time certain?

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Potter: Is that acceptable?

Moore: July 5 at 2:00 is available.

Potter: Is that ok?

Adams: Sounds good.

Moore: Everybody is in.

Potter: Then we'll figure out a work session between now and then.

Potter: Please go outside for the remainder of your discussions. We'll now hear the 2:45 time certain.

Potter: Would you also read item 812?

Item 811 and 812.

Potter: This is a request by fred meyer for a comprehensive plan map amendment. This is a hearing, not a land use appeal hearing. All comp map changes are heard by the hearings officer first and then recommended to city council for a final decision. I'd ask the city attorney to set the hearing and how it will be conducted.

Linly Rees: This is an evidentiary hearing. This means you may submit new evidence to the council in support of your arguments. This evidence may be in if I norm such as testimony, letters, petitions, slides, photographs, maps, or drawings. Any photographs, drawings, maps, or other items you show to council should be given to the council clerk at the end of testimony to make sure they become part of the record. For council consideration of a hearings officer recommendation on a comprehensive plan plan map amendment, the testimony will be heard as follows. We'll begin with a staff report by b.d.s. Staff for 10 minutes, following the staff report council will hear from interested persons in the following order. The applicant will go first and has 15 minutes to address council. After that each person will have three minutes to speak. Next council will hear from persons or organizations who oppose the applicant's proposal. Each person will have three minutes.

If there was testimony in opposition to the applicant's proposal, the applicant will have an additional five minutes to rebut testimony given in opposition to the proposal. The council may 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 adoption of finding and a final vote on the hearings officer recommendation. If council takes a final vote today, that will conclude the matter for the council. There are several guidelines for presenting testimony i'd like to go through that are established by zoning code and state law. One, testimony must be directed to the approval criteria. Any testimony and evidence you present must be directed toward the applicable approval criteria for this revie or other criteria in the city's comprehensive plan or zoning code you believe apply to the decision, b.d.c.s. Staff will identify criteria as part of their staff report to council. Issues must be raised request specificity. If you fail to raise an issue clearly enough to give council and the parties an opportunity to respond to the issue, you will be precluded from appealing to the land use board of appeals based on that issue. The applicant must identify constitutional challenges to conditions of approval. If the applicant fails to raise constitutional or other issues relating to proposed conditions of approval, with enough specificity to allow the council to respond, the applicant will be precluded from bringing an action for damages in circuit court to challenge the conditions of improvement.

Potter: Do any members of the council wish to declare a conflict of interest? No council members have, is that right? I thought I heard somebody -- ok. No council members have a conflict of interest to declare. Do any members of council have any ex parte contacts to declare or information gathered outside of hearing to disclose -- no council members have ex parte contacts to declare. Do any members of council have questions or other preliminary matters that need to be addressed before we begin the hearing? We're going to begin the hearing, staff please come forward.

Douglas Hardy: Douglas hardy with the bureau of development services land use services. We have two applicants today. Fred meyer and allende llc who are requesting a comprehensive plan

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map amendment from industrial sanctuary to mixed employment. The industrial sanctuaries intend for areas of the city where the policies to reserve land for existing and proposed industrial development. The proposed mixed employment designation is intended for areas where wide variety of employment opportunities are desired in an industrial-typesetting. The applicants are also requesting a zoning map amendment from general industrial one or i.g.-1 with a buffer overlay zone to the general employment 2, or e.g. 2 zone with the design or d overlay zone. In the existing industrial zone, all industrial uses are allowed, housing and most institutional uses are prohibited in the industrial zone. Office and retail uses are allowed but limited in size in the existing zone. Headquarter office space is allowed by right in the industrial -- in the existing industrial zone with no limit on the size of that headquarter office space. The proposed employment zone allows a wide variety of industrial uses with housing prohibited. Institutional uses are allowed, and office and retail uses are allowed with limits. Quickly, the existing buffer overlay is intended to provide buffering between nonresidential uses and residential zones when the base zone or the industrial zone does not provide adequate development standards to buffer those two uses. And the designed, proposed design overlay requires design -- the site covered by the comp plan zone map amendment includes the 28-acre fred meyer site that is used by fred meyer as their corporate headquarters. This site, the comp plan zone map amendment includes the allende site up in the northeast corner, roughly .26 acres. As indicated here, the overall site is roughly bounded by southeast 22nd to the west gladstone to the south, 26th to the east, and powell park and powell boulevard to the north. You can see where the buffer overlay is mapped along 26th. The surrounding area is characterized by mixture of zones to the west, to the south there is a small area of employment, but followed by single dwelling to the south, single dwelling zoning to the east, open space or o.s. Zoning to the north, and then again more single dwelling to the north. And this is just a site plan or zoning map for what's being proposed, the entire site going to the employment zone. The entire fred meyer site would be mapped also with the design overlay. Quickly this in terms of existing development on the site, the site consists of roughly about 615,000 square feet of floor area, distributed amongst six buildings. Office use currently occupies approximately 475,000 square feet of that space, predominantly in buildings identified as m.o.-1-3. And industrial uses basically predominate in the buildings identified here as mo 4-5. The allende site is developed currently with a single story building, used as a retail photography studio. And for a quick overview of the site, this is a view of the fred meyer headquarter from southeast 22nd. In the foreground is the three-story m.o.-2 office building. Immediately to the rear of that building is the m.o.-3 office building in the center of the campus. It's the largest of the buildings, largest of the build cans on the site with nearly 200,000 square feet of floor area, and was completed in 1999. This is a view of the m.o.-4 building, approximately 72,000 square feet, the largest of the industrial buildings on the site. And this is a view of the site looking up towards -- look east toward southeast 26th. You can see the site is fairly well landscaped from the zone across the street a. Well as the topographical difference further buffers the two uses. And a view of the allende site up in the northeast corner, developed again with a formerly a single dwelling converted into a retail use. Surrounding uses in the neighborhood this, is along southeast 22nd, a mixture of low-density residential with some industrial uses seen. Also immediately to the west is the brooklyn rail yard on the west side of southeast 22nd. And then powell park abutting the headquarter site to the north. And this is a view of southeast 25th avenue immediately south of the site, predominated by single dwellings. Southeast 20th as well as 24th provide vehicle access between southeast holgate further south, and southeast gladstone that abut the southern edge of the fred meyer campus. The hearings officer did receive comments from the public regarding the high level of traffic that occurs during peak hours, particularly along this street, southeast 25th. And that -- the amount of traffic was identified in testimony as adversely impacting the livability for residents. And as i'll indicat later in the presentation, a condition of approval has been included that limits the total amount of development on the fred meyer sites with the intent of

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the condition to limit the overall increase in vehicle trips that could occur in the surrounding area. As for the approval criteria, the applicant is required to demonstrate that on balance the proposed designation is equally or more supportivity of the comprehensive plan than the existing designation, and in summary, as detailed in the report you have before you, it was found that the request does meet that criterion. Briefly, it was found that the request does promote a greater mix of uses on the site with limits on retail office, housing, and institutional uses. The proposed designation provides an improved buffer between industrial zoned areas to the west and the single dwelling and open space zoned areas to the north, south, and east of the site. And that the proposal supports efforts to retain, expand, and recruit businesses on the site. This -- the zone does allow Fred Meyer to lease out up to 100,000 feet of vacant space. Under the existing zoning this excess office space Fred Meyer has -- can only be leased to other office users who also operate an industrial use -- that's under the existing zone. And then lastly the proposed designation more appropriately reflects the existing conditions and mixed use development on the site. As part of the criterion the applicant must also demonstrate how the proposal is consistent with Metro's urban growth functional plan and specifically with title four of that plan. Title four limits the amount of retail and office uses in industrial areas. The site is presently identified on Metro's title four map as being what's called a regionally significant industrial area, or r.s.i.a. To preserve industrial opportunities in these areas title four places strict limits on the amounts of retail and office use that is allowed. These limitations generally allow office and retail to occupy no more than 3,000 square feet of new floor area on the site. To be in compliance with the Metro title four, basically the Fred Meyer site must either be removed from the rsia, which requires Metro to amend the title four map, or alternatively, if the site remains in the rsia, then the stricter title four use limits on retail and office would have to be applied. To address the issue, the hearings officer included a condition, condition A that the request comprehensive plan zone map amendment would not go into effect until the title four map was amended. To allow city council to take action that would result in the comp plan and zone map being amended at this point in time staff is recommending that the hearings officer condition A be revised and this revision would allow the requested zone map comp plan amendment to go into effect and advance of title four being amended. However, until the time -- until the point the title four map is amended, we would place the strict title four limits on office and retail on the site, so meaning that no more than 3,000 square feet of new office or retail space could be developed. That particular condition would sunset at the point that month introduce -- Metro amended the title four map to remove it have the rsia. This particular revision to the condition was developed in consultation with the applicant with the hearings officer as well as the city attorney and is reflected in the ordinance that you have before you today. The other issue that came up with this particular raw approval criterion is the -- requires the applicant to address goal six of the comprehensive plan that deals with adds quasi of transportation -- adequacy of transportation. While transportation or pdot, Portland transportation and -- as well as odot find the existing transportation system has the capacity to support the trips created by the reasonable worst case that could develop under the proposed zoning, the number of peak hour trips added to the local streets is potentially significant, and this potential increase could further impact the issue of livability for those single dwelling neighborhoods immediately south that have experienced some of that cut-through traffic. To address that particular concern, pdot has recommended that a cap be placed on the office total amount of office on the site at 618,000 square feet, as well as the 10,000-square-foot cap on retail that the applicant had previously proposed. The 618,000-square-foot cap basically equates to what reasonably could be built under the existing zoning on the site. Pdot notes there are other use that's would also be allowed outright under the proposed zoning that could also significantly increase the number of vehicle trips in the area. These include things like medical office, medical and dental office as well as institutional uses. And so to address that concern there's a recommendation that those types of uses require a conditional use to operate on the site. And

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these particular conditions would again not go into effect until metro's title 4 map was amended to take the site out of the rsia. As for the approval criteria for the base zone or zone map amendment, the basically the applicant is required to demonstrate that the proposed zone is the most propose rat of the corresponding zones to the mixed employment designation. The hearings officer did find that of the two corresponding zones, the e.g. 1 or 2 that the general employment two in fact was the most appropriate given that this zone is the one that's typically mapped on a larger size lots as is the case with the fred meyer site. Where as the general ememployment one is more of a strip-type development that would not be appropriate for the fred meyer site. It was found the development standards of the general employment two zone provide a better buffer between the array of allowed industrial uses in that zone and the abutting single dwelling neighborhood. The zone map amendment criteria also required that the applicant demonstrate that there are adequate public services to support the uses allowed by the zone. The affected city bureaus have responded that adequate public services are available to serve those uses, and as previously mentioned, with the caveat as indicated by pdot and odot that there be a cap again on the total amount of office and retail that is allowed on the site.

Potter: Are you just about done?

Hardy: Yes.

Potter: Your five -- you're five minutes over.

Hardy: Oh, ok. So to conclude, the hearings officer did find that it was appropriate to remove the buffer given that the design overlay was being mapped on the site, and that otherwise with the conditions of approval regarding the caps on the uses, that the -- it would be appropriate to implement both the comprehensive plan and zone map amendment request.

Potter: When was the proposed, the time line for the title four map change at metro?

Hardy: We have been in contact with metro, and metro indicates at this point in time they don't have a formal process in place to amend the title four map. The way they have been processing it up to date is the city of Portland would make the request to metro and basically to metro council, and that once the request is made by the city, it could go before metro council within 30 days. So it's a fairly expedited process once the request is made.

Potter: Ok. Thank you.

Saltzman: It is a discretionary decision to the metro council?

Hardy: It is. And if ultimately metro says no, then the cap on the -- on any new -- for the most part any new office development or retail z would be capped at the 3,000 square feet. Fred meyer would continue to be able to operate the existing amount of floor area that's on the site.

Potter: Thank you. Could the applicant come forward, please? You can have an additional seven minutes if you wish.

Steve Abel: I don't think we'll actually need it, but don't hold me to that. For the record, steve able, i'm an attorney with the stoel rives office. 900 southwest fifth avenue, suite 2600, Portland, 97204.

I represent fred meyer in this matter. And the majority of the presentation will be made by bob curry wilson, the vice-president in charge of real estate development for fred meyer. I do want to point out in the audience as well are representatives of allende who we have asked not to testify, they don't need to testify, but they're here to answer questions should they arise. And also representatives of the consultant team are here as well, the planners, as well as kettleson associates, the transportation engineers. I'll turn this over to bob and i'll say a few comments if time remains.

Bob Curry Wilson: I just have a few comments. I think doug did a very thorough job. Fred meyer has owned this property and been on this site since the early 1960's when it was our primary warehouse operation. As a company grew and the warehouse grew, it became clear it wasn't working and we moved most of the warehouse operationing out to the clackamas area where they exist today. Over the years the office grew and it's essentially the office that ate the warehouse. Over time as staff grew, we constructed more offices and the nature of operations on the site just

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transitioned. It's worth noting the property is not really prime industrial land. It is within the industrial sanctuary technically, but prime industrial land is defined -- as defined should have access to transportation, such as rail, ports, mow tie -- multimodal -- it's not good industrial land. What triggered our efforts here was the fact that we have vacant space that we could lease out, and we actually had a tenant company that does back office services for other companies, accounting stuff like that, they had an operation in inner southeast and were looking to expand, and we were close to signing a lease, but it turned out when we went to the city it was impossible to work our way through the code and get the ability to lease out more than 3,000 square feet to them, so they ended up going to gresham. Staff encouraged us to look at the rezone as a way to address that to get that flexibility and bring the zoning on the site in conformance with what's there today. So that's why we're here. The last thing is a relationship with the neighborhoods. We're surround by five neighborhoods. And since 1999 we've had a good neighbor agreement in place. We have annual meetings and updates. We have a process for notifying the neighborhoods when we're going to have major new developments on the site. The element of this proposal that includes a design review overlay was a result of that good neighbor agreement process that was a request they made of us that was if we were going to proceed with the rezone, we would agree to the design overlay which gives the neighborhood and the community a lot more input to what happens on the site in the future through that design review process. We have been meeting with the neighbors that are -- who are concerned about cut-through traffic in particular there's a street, 25th between gladstone and holgate that is an existing issue and we've been working with them and pdot to come up with some solutions, and i'm fairly positive that will end up with something coming out of that. We're pleased with the staff report presented to the hearings officer by city staff and to the council and we'd support the request.

Potter: I had a question about that property abutting 26th.

Curry Wilson: The ground lot?

Potter: Yes. Is that your intention to build up to 26th?

Curry Wilson: We would probably build along 26th. When that came you'd actually built on the street.

Potter: Right now it's a buffer?

Curry Wilson: Excuse me, on 26th. Right now it's a buffer. It's landscaped. Under the development regulation that's apply in the employment -- in the e.g.-2 zone, we would need to maintain a landscaped buffer no matter what is developed. So there's -- there still will be a buffer. There's no intent to build anything on the site today. We don't have any plans, but I can't say what's going to happen over 10 or 20 years.

Able: This amendment only speaks to the existing building space and the use of that building space. Let me just conclude by saying that we have looked at the draft ordinance that's been presented to you and the modifications that staff has made and have consulted with the city attorney about that and believe that with the modifications in the draft ordinance, that this ordinance complies with the requirements of title four, and the requirements of your city code as well as comprehensive plan. And I guess the last thing, the unspoken in that ordinance is we would continue to request of the city assistance in work through the process of metro to take the designation, the rsia designation off this site as inappropriate and allow this site to operate fully as it's been proposed as an office complex. So we appreciate your time this afternoon and we would be happy to answer any questions.

Potter: Further questions? Thank you, folks.

Able: Thank you.

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

Moore: I only had one sign-up sheet.

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*****: [inaudible]

Jean Senechal Biggs: Good afternoon. I'm Jean, I'm a resident of the Krest tonight Kenilworth neighborhood, the neighborhood directly to the east. Our boundaries are 26th and Foster and Powell and Holgate. I'm here representing the neighborhood association. There are actually a couple other people who were here from the other nearby neighborhoods, they had to leave because we've got so delayed. But there were folks from Hand which is to the north, and Brooklyn, and a resident from Southeast 25th who was also here. We're one of the parties of the good neighbor agreement that Bob Cray Wilson mentioned. I do want to let you know notices have been a very effective tool for us as a collective group of neighborhoods working alongside with the city bureaus and Fred Meyer to communicate and talk about issues as they arise. It gives us a chance to connect every year and share if there's anything new or changing. We definitely appreciate the work that Fred Meyer has done in working with us as we've gone through this process on this land use review. So just sort of a note on that, often we hear about good neighbor agreements as -- this has been a way for us to work with Fred Meyer I think in a positive way for the most part as we work through these issues on a site that's not necessarily a problem in the sense that we usually think of good neighbor agreements about. I do want to acknowledge the work that we did in talking about Southeast 25th and the work that Tom McGwire, the neighbor that raised that concern probably most loudly. One of the things that Fred Meyer did, we had a good neighbor agreement meeting before this hearing a few weeks ago, they sent a letter following up on that meeting that they would be willing to contribute \$10,000 towards traffic calming on Southeast 25th. And I wanted to make sure the letter was made part of the record.

The question that I would probably forward from our neighborhood and Tom McGwire and the folks on 25th is, would there be a possibility of that commitment being tied more specifically to the land use review that we're going through right now in terms of making that a condition of approval, and that's a question maybe staff can answer. But I have that letter here if it wasn't submitted. So -- I came up here in support of this. We do support it, both the zoning and comp plan map amendments in front of you, the design overlay, we appreciate that that's carried forward from the good neighbor agreement. And the cap on the square footage of the site. We continue to have transportation issues around the Fred Meyer site. We feel the traffic impacts from that. This is sort of a compromise solution between all the parties, knowing there are existing conditions we're dealing with. So we want the site to remain viable, and I guess we are urging you to support it.

Potter: Thank you.

Moore: That's all who signed up.

Potter: Any opponents to the application?

Moore: No one else signed up.

Potter: Ok. I would like to ask the applicants about the support from the other parts of the business community about taking this land out of the industrial land bank.

Curry Wilson: It's been quiet. We did meet by request with Ann Gardner of Schnitzer Steel, and once she understood what our application was about and visited our site, she said her concerns were satisfied. It's really kind of a unique case. I know there's some other industrial issues out there, but this is kind of, like I say, a unique case.

Potter: Thank you. Other questions from the commissioners?

Saltzman: There was the issue just brought up by the woman from the neighborhood about can we make the Fred Meyer investment in traffic calming a condition of this approval. Steve, you're well versed enough, I can probably offer an opinion.

Able: I don't have any objection to that. I don't want to do violence to the process that this is an ordinance and they don't know the process. I can ask the city attorney about that. If you're amending the ordinance, but we with have no objection to adding that offer that we made about the \$10,000 towards traffic calming and making that a condition of this approval.

Saltzman: I would have no problem?

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Able: No problem. As long as we don't do violence to the process.

Rees: It's an emergency ordinance, and therefore it could be amended today and you could still take a vote on it, but we would need to have some precise language and maybe I would ask mr. Able to come up with a sentence that they could live with on that. And just add it as --

Saltzman: I would be willing to offer an amendment in that regard.

Able: Drafting under pressure. The language, can I do this orally? The language that appears in the letter which I think is satisfactory as a condition of approval, says that fred meyer is willing to contribute up to \$10,000 toward the traffic calming solutions that are arrived at and agreed upon through the pdot process with the affected residents and property owners. And word-for-word, I think that would be satisfactory.

Saltzman: I'd offer that as an amendment to the ordinance.

Sten: Second.

Potter: Do we vote on the amendment?

Rees: Yes. And Karla, let's add that as a directive -- let's call it directive e.

Moore: Ok.

Potter: Call the roll.

Moore: To the ordinance, 812.

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

Sten: Aye pyrotechnic aye. [gavel pounded] do I hear a motion to adopt the hearings officer's recommendations?

Sten: Second.

Potter: Moved and seconded.

Adams: I want to thank fred meyer for going through this process. I know we talked about it years ago when I was a chief of staff to the mayor. You've had good help. I want to thank the neighborhoods for your partnership on this. And I think it will activate a part sort of an isolated part of what is now the industrial area and I think that will be good for as long as we address the traffic issues, I think that will be good for the neighborhood and the industrial area both. So I want to thank you all, planning, staff, transportation, we're glad fred meyer has your headquarters here in Portland. Aye.

Leonard: Aye.

Saltzman: I want to commend everybody on the process. It's nice to have neighbors who appreciate the importance of a large employer, good employer like fred meyer and were able to work this out amicably. Aye.

Sten: I agree. Aye.

Potter: Aye. [gavel pounded] we are recessed until 2:00 p.m. Tomorrow.

Saltzman: We have one more.

Sten: 812.

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

Potter: Aye. [gavel pounded] now we're recessed until 2:00 p.m. tomorrow.

At 5:01 p.m., Council recessed.

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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.

JUNE 15, 2006 2:00 PM

Potter: Come to order. Karla, please call the roll. [calling roll]

Potter: Please read the 2:00 p.m. Time certain.

Item 813.

Potter: First we will have the staff report followed by testimony starting with the tonkin auto dealership. This is a nonemergency. It will move to a second reading next week so we will not be voting today. Staff, please introduce yourself and proceed.

Joe Zehnder: Good afternoon, mayor, commissioners. I am here with barry manning, also of the bureau of planning. Today we are presenting the results of the 122nd avenue stationary study. And what you are going to be seeing today is an issue that's typical of many of the issues we face in east Portland where we have long established policies about how those neighborhoods in that part of town should develop. And they are long-range development plans as well. And along the way of east Portland growing and into that long range vision, we're finding that we need to make adjustments to reflect the pace of change and also the existing situation on the ground out there. That it's not sufficient just to cast a long-term vision. We also have to make our zoning codes, provide some intermediate steps to provide for long range and what's on the ground today. Specifically, in the case of 122nd, we got a neighborhood that's built around a transit station and our idea about these transit station neighborhoods is to have them develop with infill development that allows new residents to take advantage of the investment that we have made in light rail, to have for having additional residential units and also having the businesses there that serve those residential units. But also on 122nd we have a long established set of automobile dealer businesses. And those businesses have particular set of needs and sort of restrictions on the kind of places that they can locate so the central question we grappled with here is how do you have both a pedestrian-oriented transit neighborhood and a concentration of auto dealers? We are proposing a set of regulation that is liberalize our previous restrictions on the auto dealers and we think strikes a good middle ground. With that I will turn it over to barry to present the results of the study and the recommendations.

Barry Manning: Thanks, joe. Barry manning, staff of the planning bureau. And I was the primary staff on this project. Once again, the action we are asking you to take today is to adopt the implementation amendments document as recommended by the Portland planning commission and Portland design commission and that includes amendment tots comprehensive plan and zoning map and code and community design guidelines. I'm going to show you the power point today. It's fairly lengthy. I'm going to go through it quickly so in the interest of time, if I miss anything you would like me to come back to I would be happy to do so. The presentations today is three parts. I'm going to give you a little bit of the background and process. We are going to talk about phase one of the project where we looked at the concepts for how auto dealers and other uses can fit into the area and design issues. And then we will talk a little bit about phase two which was the implementation tools including the zoning amendments that we are going to be look at and asking you to adopt. As joe really stated, the purpose of the study was to figure out ways to balance the aspirations or for a transit oriented district around 122nd and burnside with the max stop and support pedestrian activity in this area which has traditionally been auto oriented. And meet the

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needs of the existing uses in the area that have auto dealerships in the area, other businesses would like to expand. That is follow-up to the gateway planning regulations project. If you recall back in 2004 this issue came up and we agree to study this in more detail. We are really trying to meet a couple of major goals. One is to meet a transit station and community goals for pedestrian and transit oriented development in the long run. Attract bases that serve that growing neighborhood and accommodate that change over time. We are also trying to meet needs of existing businesses and try to answer kind of two key questions. How did can the station community and main street goals of this area work with the needs of these businesses? And once we determine that, what rules need to change so that we can make that work? That's what we really focused on. Just to review the study location, out here, we are at 122nd avenue. This is burnside street. That's the max station. We studied relatively small area that's low caused on that max station area. And just the surrounding area and this shows you a little, in more detail what we looked at. The blue areas on the map and I apologize they are hard to read are really the primary study area. The center on the area between glisan and roughly stark and that's within a quarter mile of the transit station. We went out and looked at some issues in the half mile range, a little bit farther away from the transit station area as well but not so much for use changes but really to see what the impacts in the relationships were. Here's an aerial photo of that area. This shows you again the quarter mile ranted max station here at burnside. These are the commercial uses in the area are on this you can see larger lots although there are some commercial uses on smaller lots and the area is surround by residential development here. You can see again on the east side of the street a fair amount of residential development. The study components are listed here. This project was assisted by a tgm Oregon transportation growth management quick response grant that provided design, economics, and transportation expertise from a consultant. The study included public participation. We worked with a working group composed of neighborhood and business representatives including the auto dealers through the process and also engaged the broader public times. We reviewed land uses and design. We will get into that in more detail in just a moment. We also looked at transportation needs in the area as we have mentioned. It's an area that is designated as a pedestrian district. And that's somewhat a rationale and it's evolving in that defection and we looked at what those needs might be and at the end of the project we developed implementation strategies to achieve the land use components. Just a little more background on this. As you all probably are aware the area was formerly an unincorporated Multnomah county. Most of the auto dealers and some of the development that's out there was permitted when it was in county's jurisdiction and the rules really evolved over the time since county adopted zoning. They had a couple of provisions called the cac zone which was an extensive commercial zone and site review that were applied to sites back in the days when it was in county. Thinking about this area really started to change in about the mid-1980's with max-light rail and the kind of public thinking about the kind of development that would be associated with the station area really evolved the area to become more transit supportive and pedestrian friendly, full. Metro 20 40 followed in the mid mid 90's: 122nd avenue was december seg natured a street and the area around it a transit community. We adopted the outer southeast community plan back in the mid 1990's. We are going to talk about that in a little more detail in a minute. And we also adopted the pedestrian district at that time. Most recently, we have reviewed some of the regulations during the gateway process and developed something called the east corridor plan district which was the separation of the gateway plan district and that's the regulations we are going ton affect as part of this project. We will show the current max corridor policy. It talks about ensuring private development and one of the objectives is to encourage the redevelopment. That's a policy that we want to, proposing to get later on in the process to supportive of this proposal. Just a few slides on existing conditions in the area. This is pedestrian realm. Even though it's largely an auto street with fairly high traffic volumes. There's quite a few pedestrians. We have encountered a we have been out in the field and the sidewalk environment

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varies from older kind of at the top of the frame Multnomah county curb type sidewalks to some of the newer developments including the safeway target development on the left and a newer ron tonkin dealership on the right where sidewalks have been improved and much more friendly to pedestrians in the area so it's changing. Some of the commercial uses out here include mixed use development on the bottom left. The safeway target development with housing. Also include other uses that serve the community just a host of other commercial uses in the area. The areas developing residentially. The area surrounding the commercial area is residential. It's zoned for higher density uses. Fairly intense residential uses. And it's evolving from a single family and low density character to a higher density character and these photographs describe some of the, show you some of the development out there. We also have auto sales uses out there. This is the character of generally speaking of those. They feature fairly large areas of display, exterior display where car lots. We may refer to them today as. From front of the businesses currently. And they, there are several of them that are within the station area between glisan and burnside and there are a few outside the station area and we are really focused on the regulations that would affect the ones within the station area between glisan and stark. I want to talk a little bit about the phase one what we looked at concept development and design explorations. When we worked with the community we really try to figure out where auto dealers in the scheme of this max station might be a good fit. We asked the community what their thoughts were about how the area ought to evolve in a general way and this slide just represents the four scenarios we talked to the community about. One representing retaining the existing policy and code parameters which are really design to encourage a mixed use transit area where auto dealers with exterior car lots would not be allowed. Two was a mixed use area but allowing the existing dealers to upgrade their sites so they are a better fit and able to reinvest in their areas within the max station area. Three was a notion of focusing community oriented development that would serve neighborhoods more at these key intersections with a mixed use residential emphasis at burnside but allowing auto dealers to expand between those key nodes in those purple areas. And the fourth within we asked about was whether folks thought it auto dealer might be a good idea. So what emerged out of that were a couple of key elements that we synthesized to come up with basic concept. One thing we heard was that this nodes with businesses serve the neighborhood was a good idea. People liked the idea that we would have neighborhood serving businesses in this area where we were going to have more development. And design that attracts pedestrians so that we don't have to, people didn't have to rely on cars for all their trips and it was very pedestrian friendly place made sense. Another thing that made sense were to support the existing businesses and to support the auto dealers that have been in the area. An economic engine for the area. They contribute a lot of jobs and they were a valued resource for the area so one of the things very clearly was the existing auto dealers ought to be allowed to reinvestment and improve their sites. And we ask the question, and got some response that making some opportunity for expansion also made sense in this area. So we came up with a concept that was a blend or synthesis that really designates nodes where transit services are good for more neighborhood serving businesses. Focus mixed use residential around max to the extent possible. Because that's a quieter street in terms of traffic volumes. Transit services right there. Allow car lots with exterior display outside the node so that's represented in these purple areas. Remove obstacles for remodeling of existing dealerships both outside the node and within the node. So expand grandfather rights, essentially. And then ultimately we looked at some transportation concept that is called for developing the street plan in this area to make easier for pedestrians to get to and around this area in the long run. To that extent i'm going to show you a couple of transportation slides. We are not asking the council to take action and adopt these today but I want to give you a flavor for what we looked at because I think it's integral to the concept here. This is the connectivity street plan we looked at. Our regulations currently ask for a more urban dense street grid, more similar to inner Portland than outer Portland. What we wanted to do

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was develop a street plan that was more tailored to the needs of this area that may not have street connections quite as frequently but still provide those transportation connections and serve the transit area. So we are looking for p-dot to bring that back in a refined state with a transportation plan update later. We also looked at street scape improvements. There was a lot of discussion on this. As I said this is a pedestrian district. And we are looking at ways the street scape could be improved to make it more conducive for pedestrian crossing but also to improve the just the kind of amenity value of the street and make it a more pleasant place for business and residential development, fowl all those things to work together so we explored notions of the sidewalk environment, opportunity for curb extension, medians, and things of that nature. He we also explored auto dealer design issues. Where should buildings go? How to improve the streetscape and landscape? I'm just going to walk you through a few slides here. We will get to the proposal in a second. We looked at developments in wilsonville. In wilsonville there's some areas where exterior car lots are not aloud. We looked at how that works. This type of development would be currently allowed in our plan district where all the cars are enclosed in a building. We wanted to see if that made any sense. In this case, in some cases it worked pretty well. The upper case looks like it works pretty well from a design standpoint. And the honda dealership works but it has a different kind of character to it. We also as part of our working group, some folks went on trips and brought back information from other place. We looked at the broadway auto row in oakland and look how they treat auto dealers in an urban setting there with a balance of interior and exterior surfaces for car display. We went to victoria, b.c., the city did not pay for that trip, by the way. And but brought back some information about how auto dealers are integrated into an urban environment where there's higher residential density use, how exterior car displays works there. And then even locally we looked at some examples. The top two from closer in to the city. The new and I am pointing at the top left here soon rae dealership on burnside at grand. On the right is the mini dealership in the goose hollow area and on the bottom, some examples from 122nd that are existing. The tonkin grand tour reese mow dealership which has a lip between building near the street and open display and the occur see ford which has a similar landscape with landscape. Those were favored elements by the way from the community that notion of landscaping and a balance between display, open display, and building near the street. So through the process we came up with some ideas how this could work in new development at 122nd and we talked about allowing a greater set back up to 20 feet and allowing merchandise display in that set back and including more landscaping on these lots. We also talked a little bit about site layout. We want to create opportunities for those car lots outside. But come up with designs that fit in with the changing streetscape and neighborhood that's more urban. So that key principles there were building near the street, exterior display, allowed on the front set to give that opportunity, allow display parking and storage in the back and on the side, really focus that and allow for future change and the notion about the display towards the back or the side was allowed for changes over time. Infill development at industry changes, auto industry changes or as land values change. And this is how we saw that area building out in the future. Not quite that fast. And the streetscape evolving kind of like this. So getting less december play, more buildings but still as you can see they are having quite a bit of auto display on the outside. So in phase two implementation, I am going to walk you through the refined concept and policy. The proposed zoning map and comprehensive plan map amendments, some zoning code changes and the design overlay which we are recommending for this area. Once again the development concept encourages exterior or would allow exterior display and car lots in key locations. Those are located in purple on the map. Between the nodes. And then community serving mixed use and residential uses on, at the nodes and on the west side of the street so those are the red areas. This map you will see the blue areas. Those represent the higher density multifamily that survey rounds the commercial areas here and the yellow areas represent the single family neighborhoods that extend farther away from the transit station. There's four points

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here in our implementation. We are going to amend, proposing to amend the outer southeast plan policy objective. As I said, change the comprehensive plan and map designation. Regulation, I will go over those and add the design overlay. And the design overlay was one of the key, critical components that the working group agreed upon that was a good tool to kind of mitigate the disparate uses that are likely to be in this area, housing, higher density, residential and things like auto dealers that have display that we need to have a tool to kind of balance out those different, different types of development. So again, we're suggesting a modification to the outer southeast community comprehensive plan policy objective to encourage the long term development and intensification of these large underused sites. This allows us from a policy perspective to say this will evolve with the market. It's not something we expect to have happen today. We are recommending changes to the comprehensive plan and zoning map. As I said while we looked at the entire area we focused on the area around the transit station so this shows you the area primarily between glisan and stark. And the changes that we were proposing here include, and I am going to lever to the map on the right, you see this area that I am pointing auto here that is somewhat purple on your screen. We are recommending to change from the commercial store front to the central commercial zone. The notion behind that is that the commercial store front is really intended for smaller lots. These lots tend to be quite large, range, from anywhere from one to 10 acres in size. And the commercial, central commercial is a better fit for those large lot developments because the standards there allow for more site flexibility. We're proposing to retain the commercial store front on the smaller lots where the development standards are more appropriate. We are also suggesting some key changes to other zones. Here we have got some existing auto dealers that are in a commercial mixed use zone around this light rail station here. We have changed the zoning on one of those lots so that that site can be conforming in terms of its zoning to the type of use that's there. What we retain the cm around the station to promote the mix the use. We also tried to address, we also addressed not conforming situations on glisan by changing the zone from commercial office, full see on the left, to commercial store front on the right to address a retail office disparity there. And also down here, and I am pointing on the right-hand map from a residential zoning designation to a commercial zoning december designation to accommodate an existing use many finally down here on the bottom left, there's an auto dealer here. The accurate deal she were that's outside of the transit station area we are proposing to change that to a general commercial zone which is more appropriate for that location I am not going to go through the key zoning regulations here. Just I will revisit these in a moment but I am going to walk through them one at a time to give you a sense of what we modify through this process in terms of changing our code to allow the auto dealer to development to occur in this area. Once again this is the quarter mile circle around the transit station. And we are adding those areas, I will show you that again, from what we have now, which is a limit on exterior display in the area to allow exterior display and storage on those key sites. And that's represented on map 521-4 in the code package. We are also expanding the grandfather or nonconfirming reports, you will, in areas where we are still, where exterior display or car lots are appropriated. So we are allowing reconfiguration of those lots so somebody could tear down a building and rebuild and move their display around in ways that they cannot do it now so we will, as long as they are not expanding the display we are giving additional rights to move it around in ways that they can't do that now. We've changed some of the development standards. Some of these are key for auto dealer development. The current floor, minimum floor area ratio in this area is one to one, which requires a substantial amount of building. We are relaxing that to a 0.4 minimum to allow flexibility on that site to allow that exterior display to serve as part of that, we're also requiring some landscaping, 15% of the site overall and there's some specifics about how that is applied in different areas. There's no changes proposed to the maximum height or the maximum floor area ratios at this time. And no change to the pedestrian district boundary. We are increasing the building set back from the existing 12 feet to 20 feet. Again, to allow merchandise display in

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the building set back. In allowing exterior display or car lots on the street a question came up of how much and where as we discussed earlier, the code proposal allows for 50% of the frontage to be used for exterior display, exterior storage so car lots or vehicle areas which includes parking and maneuvering areas. And the diagram with the blue on it, the map diagram shows you kind of the relationship that that would try to achieve on the street. The blue area showing how you have a relationship between buildings and open areas. And this is, this applies to auto dealers similar standards we apply other types of development where we see there needs to be a relationship between the amount of vehicle area buck provide on a frontage and the amount of nonvehicle area or building area and that's a 50-50 relationship in our current regulations. The bottom diagram shows how that might work on a real site. And this is the comparison. Planning commission spent a fair amount of time discussing this issue. We wanted to share with you some of the discussion that they had. The diagram in the middle shows that 50-50 relationship. The one on the left shows a vendor's vehicle display. The 30% building area and the one on the right shows another proposal that came, was discussed at this point in time that really shrunk the amount of vehicle display that would be allowed to 30% which we felt in the staff proposal was not sufficient. Another nonauto dealer relate the amendment that we are making is for uses in the rh zone adjacent to transit street. We are pro possessing to allow some commercial use to promote mixed use development in those areas without presenting the hurdle of the conditional use process. Finally we are proposing to apply the design overlay zone currently on residential areas here and I am showing you those with the arrow. We are proposing -- and it was not applied to commercial areas although there is substantial development allowances in this area. 100 foot height element, far in the six to one range which are lloyd center level development regulation, there was no design overlay in this area so we are proposing it be applied to those areas to help mitigate not on the long term larger scale development impacts and get better design but also in the short-term help strike that balance between developments in the disparity leases there. Overall we are proposing to apply a two-track system which allows some developments to meet development standards, particularly residential uses. For those that go through a process, they would go through a type two staff level design review. We are proposing to use the city wide community design guidelines but we are proposing this proposal calls for amending the design guidelines by creating some specific desired characteristics and tradition statement that is apply specifically to 122nd. Adding language that provides guidance on the sense of place and identity, guideline p-1, and then we also have some descriptive photos describing some of the design features we talking about. We are talking about the relationship of landscaping and building on the site. And set back. So once again we are asking you to adopt the recommendation which I described is and in the packet you received. And I would be happy to answer any questions you would have. Thank you. Position.

Potter: Questions from the commissioners? We will probably have some later. That was a very good presentation. Thank you. We will now hear testimony from the tonkin auto group. [cell phone ringing] good afternoon.

*******:** Good afternoon.

Potter: Will you folks please state your name when you speak. Even though I am sure most people recognize you.

*******:** You want to start?

*******:** Did you want me to spell my name?

Potter: No.

Brad Tonkin: Good. I'm brad tonkin from the ron tonkin dealerships. The current zoning on 122nd makes it impossible for businesses to thrive. Showing our product is prohibited. No new or redevelopment dealerships can realistically meet though regulations. As best we have to patch together remodeling. This keeps us from investing \$10 million over the next decade. Other local business are also affected by this zoning and can't expand. Three years ago we joined a planning

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bureau study with our neighbors. I want to commend planning bureau staff member barry manning for setting the tone for collaboration and compromise. All of us want a changes that would boost the local economy, maintain the residential character of the area, and recognize the nature of 122nd avenue. The study group recommended several important improvements including better commercial zoning, allowing exterior display and storage on almost all the east side at 122nd and design review and all future development. In the end, everyone compromised and the result made significant progress on the problem. However, a few changes to the final version is before you make those improvements unworkable for automobile dealerships. First, the areas allowing exterior display and storage have dramatically shrunk. On the left the dark area marks where exterior display and storage was aloud under the study group compromise. Buildings would have to locate to intersections but thoughtful dealerships would be possible. On the right you can see the dramatic are you duction present preventing any expansion and acting land we use for storage. In addition a new provision was added that only 50% of the frontage can be used for vehicle uses. Mind you this only applies to those with exterior display and storage. And our business is about showing our product. After all the required vehicle uses are laid out on our sites plus the required landscaping there would be little left for effective display. The proposed code changes already require the buildings come to the street and add landscaping that making any sight frontage limit on vehicle uses overly interpretive. However, a dealership could work with a 70% limit. It's a compromise that allows for workable dealerships but a sea of cars visible from the street. Just as a comparison the library on 122nd avenue incorporated 60% of its frontage for vehicle uses. And it doesn't need to display its product outdoors. These two issues create a barrier for us to all the good improvements the study group proposed. The planning staff, businesses and residents have worked hard to make the changes that allow good things to happen in our community. In business growth, pedestrian improvements and neighborhood amenities and we are very close to making that happen with only a few changes. We are optimistic and excited about the future of 122nd avenue and are ego tore investment in the community we love. Thank you.

Ed Tonkin: Good afternoon. My name is ed tonkin. We have had businesses on 122nd avenue since 1965, when my father first opened the chevrolet store out there. Our automobile dealerships are december sin nation retail and service businesses. Concentration of dealerships out there mean more customers come to 122nd avenue because they know they have more selection and competitive pricing. In fact, we bring over 1,000 people a year to 122nd avenue and we provide ourselves over 800 jobs. 122nd avenue is and will be the heart of our family business. My procedure brad and I are both products of the Portland public schools, as is my father. And our terrific employees are also come from the Portland public schools. That end over the past three years between labor day and thanksgiving, we have contributed \$25 for every vehicle we sell through all our dealerships and to date we have raised nearly \$250,000 for Portland public school foundations through what we call our drive for school program. It's real investment in our community's future. As brad mentioned we are also eager to invest in our businesses on 122nd avenue. Our customers and our manufacturers actually demand the car displayed attractively so people can really check out merchandise before they buy. We desire to update and improve our dealerships for our customers and employees and also for our neighbors. There's no reason that our community shouldn't have local small business growth. Development that makes it easier and safer for pedestrians to cross and stroll the streets and have workable automobile dealerships. For example, the Multnomah county sheriff's property as glisan and 122nd avenue is very likely to be redeveloped in the next few years. This rendering that you are look at shows a type of dealership that could work with a 70% frontage for vehicle uses, exterior display, 200 feet from the intersection, which by the way reflects the planning study group compromise, and also a building with a point four to one floor area ratio with the planning commission approved. It doesn't overwhelm the site and as you can see there's no sea of cars there. Also there are many

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improvements over the old out of date dealerships including the possibility of a cafe that could serve our customers waiting for service as well as area neighbors. Sidewalks would be wider. Trees, and also have attractive landscaping. And our exterior shore rooms would also have attractive and interesting features, for example, monument displays. Our newest dealers on the west side of town reflect that investment in the community and with tractable dealerships. You can see what they look like. We do really appreciate all the hard work the planning staff has put into the changes you are considering today. And we are very strongly supportive of the improvements that have been made. But by removing a few barriers you can help awful us have the community vision we hope for which is strong, small business, neighborhood improvements and workable thriving auto dealerships. Thank you very much for your time and attention.

Potter: Thank you. Do we have a signup sheet for testimony?

Moore: We do. We have about 23 people sign upped. If you come up three at a time we have phil, amanda briles, and ali. They will be followed by jamal, doug believe it's lemming and barry barber. Right now it's phil sellinger, amanda briles and ali rahima.

Potter: Thank you for being here, folks. We normally provide each person three minutes. If you could keep it under that because of the large number of people we would certainly appreciate it. So when you speak please state your name for the record.

Phil Selinger: Good afternoon, mayor Potter and members of the counsel. I am phil sellinger, project planning director at tri-met, 717 n.e. Holladay street. My comments will be general in nature, though there's lots of important detail in the staff recommendation. I first wish to commend staff, specifically barry manning, for the effective conduct of the study that included a unique and diverse set of stakeholders. I served on the 122nd avenue study working group and appreciate the positive and constructive exchange in those meetings. I would have to characterize the recommended implementation amendments as a reasonable compromise that balances the needs of stakeholders and the opportunities associated with the whether station area. On one hand, there are a number of locations, particularly on the east side, where the region's significant light rail investment is as accessible to the surrounding community as at this location. There are no physical barrier, no freeways, railroads, or natural obstacles. There's an intersecting arterial street with good cross town bus ecstasy and a established community surrounding the station. On the other hand there is a long history and presence of automobile dealerships in this area that also serve the community. We agree that preserving the station area and intersection nodes is an appropriate priority for fostering pedestrian orient the mix the use development. We also agree that enhancing the pedestrian environment and providing safe street crossings is critical for both bus and max users. We agree that increased street connectivity is critical to improve both community interconnectivity and we agree the 122nd park and ride lot with its 612 parking spaces is an auto, automobile orient the use that can and should overtime transition into a more pedestrian oriented use that will take advantage of light rail and activate the important intersection and development opportunity similar to what tri-met has done with p.d.c. At the gateway transit center. Finally, without comment on the details of the proposed amendments tri-met indeed supports the overall 122nd avenue station area study recommendations. As a reasonable compromise that recognizes the current reality of this station area and that still takes the next important steps to making the 122nd avenue station area more active community supportive and transit and pedestrian oriented. Thank you.

Amanda Briles: Good afternoon, gentlemen. I am amanda briles. My address is p.o. Box 55352 Portland other, 97238678 I live in the neighborhood where these changes are being proposed. And I want to state for the record that I am for less drive ways coming out of 122nd avenue, and I am 100% for any and all changes that are conducive to pedestrian, mass transit, and bicycle safety. My hope is that the changes include better and safer access to the middle regional library even though it seems like that's a little bit out of the proposal area. That's a very important part of this

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neighborhood and it's kind of a dangerous area for pedestrians right now. So I would like to see something like a small or crosswalk that's exactly right by the library instead of like two blocks away from the library. I would like to see the office of transportation look into the details to make all of these things happen. I want to see lots of focus devote to do things in the streetscape study that promote safety for people and nonmotorized vehicles that also enhance the livability of the area. I'm glad the car lots can stay as they are. But I also like to the proposals that they are able to expand with the conditions of landscaping, esthetics and updated urban planning in mind. They were saying it's 70% seemed right and I don't know. I think the 50% is ok. Because they are still going to be able to be grandfathered the way they are with their current existing lots the way they are but maybe expansion can be more to the liking of the city's forward thinking in this way. To sum it up the goal for me the safety of the pedestrians and the transit riders and bicycles and to approve all that enhances it. Thank you.

Ali Rahima: My name is ali rahima. I am with the duncan organization for about eight years now and I love in the area and I enjoy living in the area. I have, in fact, two sons who live with me and working with the company. I think it's a great mistake to differentiate between business and community because really they are the same identity is business, if business grows, the community would grow. And vice versa. I personally like I bought a house because I work there. And if I lose my job and moves, I will move somewhere else. So it is very refreshing to work and live in the same community with the tonkin organization it has been great company for me and has been voted on numerous occasions that it's one of the top hundred company to work for. And that's voted by the employees. It is so refreshing to work in the area and how convenient, when I get a call from my son's school and say he's sick and he is in the office, it takes me 10 to 15 minutes to pick up my son and drop him at home and come back to work. It's very convenient. Also the displays areas in the front, from my own experience, the more display the better for even, not for the owner or for the company even for the community, there are two groups of people. They don't even want to come to the dealership. Not because they don't like dealerships. They just don't have the time. They drive by and after that they call the tonkin and say, the car in the front, the color is a blue, how much are you asking senator and what is the mileage? Not because they don't want to come in. They just don't have the time. The more display in the front, the better for the community, not necessarily for the owners. Also the more remodeling and more expanding is really not even driven by the owner. It's driven by the factories. Whether we like it or not is they put in restrictions on us if you want to stay in the business, you have to grow and you have to expand. Otherwise we will not even send you any cars. So it's not even driven by the owners. It's driven by the manufacturers. And as I said before, I had pleasure to work with the tonkin organization and even participate in a school projects where the schools from the community, they come and they spend about a week with us. And we help them with their projects and that's every year on a continuous basis, and we will come to a parking lot to help you the schools in the area. Thank you very much.

Potter: Thank you, folks.

Moore: Next we have jamal, doug lemming, barry barber. They will be followed by bob cant, aaron phillips and mark whitlow.

Potter: When you speak, please state your name and if you can keep it under three minutes.

Jamal Rahima: I will make it shorter than my dad's. My name is jamal rahina and I live at 3535 n.e. 163rd place. I have worked for the tonkins on and off about 10 years starting with my first summer job when I was in high school at parkrose high school. I have held several different positions while I have been there including light attendant and detailer where my job was to make the cars and the lot look attractive to bring in the business for us. And over the years I have left the company for several different reasons, whether it's traveling abroad or going away to school. But they've always had a place for me whenever I come back home. Thank you.

Potter: You did. Thank you.

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Doug Cummings: My name is doug cummings. I live at 1397 s.e. 130th. I am a mill park resident. I work at ron tonkin chevrolet. My title is the automotive care manager, and it's my job to clean and maintain the vehicles on the lot and make them presentable to the public. I've been with the tonkins for almost eight years now. I used to work at the dodge store out in gladstone. And now I can drive to and from chevrolet for 10 days compared to one day out at dodge. Definitely convenient for me at 122nd. Thank you.

Barry Barber: Mayor, my name is barry barber. I have a small business at 11821 n.e. Glisan street. And I am here to support the propose the zoning changes. My small business and the other small businesses on glisan I think will benefit greatly by the shift, you know, from the office zoning restrictions that have been in place there to the general store front which would make it very good for us to be able to update our businesses and attract of lot of people into the area. A lot of people drive through great distances to come to 122nd. And I think the central commercial zoning proposal for the 122nd area is a lot better deal for the whole area. 122nd has been a major thoroughfare. I have lived here in Portland almost all my life. And that's been a north-south thoroughfare. That is a traffic zone. A major commercial area. It's not a little boutique area like the hawthorne or the pearl districts. This is a major commercial area. And we want it to grow and to provide income for families and, you know, for the economy of the city. I think these changes are good for us. And that's ball. I will cut it short, too, mayor.

Potter: Thank you, folks.

Moore: Next we have bob can't, aaron phillips and mark whitlow. They will be followed by brigitt flanagan, steve able and joseph rosse. Aaron phelps and mark whitlow.

Potter: Next?

Moore: Ms. Flanagan, if you would come up.

*******:** Brigit is here only to answer questions.

Potter: When you speak, please state your name for the record and you can proceed.

Erin Phelps: All right. My name is erin phelps. My address is 223 s.e. 122nd avenue. This property just gave you the address to has been almost exclusively used as a funeral home since 1967. And I have been operating a funeral home in crematorium at this address since 2002. When I bought this property, it was zoned for high density living, and I needed to get an exemption from the city to use this property again as a funeral home. My understanding is that the proposed zoning code would be one requiring housing to be incorporated into the properties in this area. I find this to be very restrictive. And not really a good fit. In the past few years I have had a great deal of problems when trying to make improvements in my property. Reviews, like crazy. I feel that this area needs to have a zoning of the least restrictive type. 122nd avenue has always been a secondary arterial. I don't really see this area changing appreciably in the future. And the best use for this area you go, I think, would be to continue with allowing the automobile dealerships to continue, and I have to applaud the tonkins for what they have done with their honda store. It is beautiful. And I think that they've done a great job. But the store front with housing on top, I don't think it's realistic, for this area. This is not an area where people are living and walking a few blocks to get on the max train. The parking lot at the 122nd avenue is always full. It seems to be, this is an area where people are driving to get on the train. Thank you.

Mark Whitlow: Good afternoon, mr. Mayor, members of the council. Mark whit low, a land use attorney from perkins could wee representing safeway. Bridget flanagan is here as well. She is here for questions if you have them but perhaps I could borrow a minute of her time. I will try to be brief but safeway is late to this process. We apologize for that. We did appear in front of the planning commission. We submit the our letters to you including our letter to them. But we are essentially asking on behalf of safeway for the same type of relief that is being looked to for the automobile dealers and that's the ability to grow and expand and existing business. Safeway came into its site at 122nd and glisan in 1994. That was an innovative project. It was with target. It

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created housing above so vertical mixed use with pedestrian amenities was very novel for the time and safeway has shown its bold willingness to engage in innovative design not only on that site but in the court, the museum place at 39th and powell, lloyd center. So what we would like to do is ask you for the same special relief, the removal in a limited way but appropriation of a use. We have given you language that would allow the addition of an access for fuel for the existing supermarket.

If you agree to this proposal, the proposal does not allow the use outright. It would be then subject to design review. We would need to come in, make an application, we have engaged in conversations with the neighborhood and with the staff about that. Particularly with the staff, we have thought of ways that we could have a fuel station that would be compatible and consistent with the design for pedestrian and district districts. Us using the kiosk to back up the sidewalk, put an atm, newspaper rack, cover it with, you know, an awning that would make it fun to be part of the streetscape that would improve the existing circumstances. So again these things could be all decided in the design review procession where we talk about things going to be on the site, how large things could be, what conditions would be. In terms of traffic 90% of the people who would shop at the station for fuel would already be on the site. We know that because safeway offers dual discounts. They treat it like an apartment so it's keyed off the same cash register. It would capture trips and consolidate trips. We talked with kurt krueger of the office of transportation and he views it as not being a traffic generator. We tendered our language to the staff. We are asking for the same type of relief as the other existing businesses to grow and expand and evolve with the industry, which is now in grocery supermarkets. They have fuel and we need to be competitive. Thank you for your time and your consideration.

Potter: It's my understanding you dealt with staff but you haven't gone through the process yet?

Whitlow: We went through part of the process. We were late to the game admittedly. We made it to the final planning commission, presented our testimony. Received their comments. I have offered in terms. Letter the minutes. We tracked it some favorable comments and also some concern about the lateness of our arrival. But this is a legislative process. Safeway doesn't have a few station in mind. So it isn't that they were coming in to look to develop something. They found out about the process. Saw this is probably the only chance to remove the prohibition to allow them to come in and grow their business. So it wasn't -- the timing wasn't lined up. If they had a project in mind, I am sure they would have been at the table from the very beginning. But it's not over so we thought we would raise our hand and apologize for being late but see if we still couldn't get some of the same type of relief.

Potter: We he normally don't make decisions like that. We normally refer it to the staff and they do the analysis and there's also a provision in our planning where we provide, allow for community input. And those haven't really been done yet. So what I would be glad to do is refer to the planning division to begin that process for you. You are not -- this is not the end of the line. Is that sufficient for you folks to consider?

Whitlow: I'm not sure if, I mean, we are happy to, you know, continue the conversation. Or to even start it, you know. But i'm not sure -- i'm not sure what you mean by it. I know this is the first of two readings.

Potter: You need to go through the process and obviously there's steps that the planning staff has to do in terms of research the issue, provide some response back to us, provide community input. And then it comes back here for a discussion.

Whitlow: As part of this same process whereas the beginning of another process to occur? I am still not -- I am wanting to say yes and we are happy to work with people. It wouldn't be -- I mean if -- we're not asking the city to create a new process for us. This is a legislative matter and there's only so much staff time.

Potter: The legislative matter is based on planning recommendations to us.

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

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Potter: And a process whereby we receive community input on how that would affect the surrounding area. And when that's done you folks could come back here and we could have hearing on it.

Whitlow: Well, if there's a project available and that's, if you are open to, you know, still making further code amendments that's acceptable. I'm not sure that that's what you are talking about.

Leonard: As a conceptional matter, I agree with you, mayor. But since I have been here, we have made minor decisions like this to amend plans. I am not sure how I will vote on this one way or another. I wouldn't mind hearing what other people have to say today if they have a problem based on what our concerns are. Could that as well. -- do that as well. This doesn't seem inconsistent with the kind of things we are discussing and considering here.

Potter: Well, except we don't really have -- does planning have a plan or a response to what the request is? Have we had any kind of community input on this much like we established the 122nd working group? Have they had a chance to look at this?

Manning: [inaudible from the back of the room]

Zehnder: [inaudible from the back of the room]

Manning: [inaudible from the back of the room]

Potter: I think you need to come up here folks. Someone up here's going to have to make room for our staff from the planning division.

Manning: Barry Manning planning staff. This issue wasn't really vetted with community in a significant way. So mr. mayor you're correct in that it was presented at the last planning commission hearing. Which addressed a very limited set of modifications that we had - planning had proposed again. We have done a little bit of policy analysis on this issue. In response to their request. Quick vehicle servicing gas stations are classified as that. And we have a potential policy issue with that in this area we've got an objective that talks about limiting those and pedestrian districts. We also have some existing gas stations in this area there also limited by those codes. So we would really need a little bit more time. If the council chose to take this issue up, we'd need more time to kind of come back with some analysis on that.

Zehnder: If you would like to discuss this now the gist of it is a gas station is a gas station as far as the code goes. And this is a pedestrian district so they have been not allowed in the past. And so if we were to make an exception for a gas station that's part of a grocery store we'd face an equity issue with a gas station that's just a gas station that currently would be in the district and operating as a nonconforming use, why this one not that one. So that's the kind of analysis we'd have to come back with to try to figure out a solution for. The planning commission didn't take up this particular request, but the reasoning behind why it's different than the auto dealers is simply that part of what we're recognizing in the case of the auto dealers is that's a unique business that needs big lots and there's only so many of those, and 122nd has a concentration of them. So this is a different kind of location for that business, even though it's in a pedestrian district. There's a lot of locations on 122nd that could succeed as a gas station, so there's a less limited universe of sites you could put a gas station in and policywise we'd prefer to keep it out of a pedestrian district. That's it simply.

Potter: In terms of coming back with a recommendation, and also have some avenue for citizen input, is that doable? Are you saying once we make this decision this is closed for three years?

Zehnder: Unless there's amendment that you would like us to go back and discuss between now and when you act, we could try to hold some community meetings and discuss this with them. We just really just came in at the 12th hour of the process. We haven't, we could do that. Once we make the changes, whatever we're going to make on 122nd, our work program isn't to come back and reopen this set of zoning for the foreseeable future. So this is a kind of a window to address this unless we really want to mount up a whole other planning process around it.

Potter: You're saying it's ok to pass this?

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Zehnder: No, i'm saying that if you want to -- I just don't want the decision to be made under the assumption that in any time -- that we're going to get back to changing zoning on 122nd in this part of the 122nd any time in the future. Near future. Is that clear? So there's --

Leonard: I didn't quite understand that. As the council knows, I have been looking for opportunities to expand the access of the community to alternative vehicle fueling stations, so i've kind of viewed this proposal as an opportunity maybe to condition something that would require a biodiesel fueling station or an e-85 fueling station which is not required currently of those kinds of operations. So if there is an opportunity to have -- I don't want to disrupt the process to do that, but on the other hand, if there is some expedited means by which we could get feedback, if it was a proposal that allowed an Oregon-grown product to be used as a fuel to fuel vehicles out of this station, I would certainly be interested in the feedback we got from that. There's going to be a larger proposal on this soon, in some ways safeway could say, i'm picking on them. I will tell them soon they're just ahead of the field a little bit with this. But -- so if the council is interested in that kind of a discussion, I would be amenable to allowing you to do what you suggest to joe and have some community discussions and see what the community thought about that.

Potter: You said this would be a nonconforming use?

Zehnder: There currently are some gas stations in this district, where gas stations are not allowed. And those exist as nonconforming uses. The safeway is in a situation of creating a new gas station, and that's not -- they wouldn't be allowed to do that, existing stations can continue to exist as a nonconforming use. The proposal that's on the table would say, if you're a gas station and you're part of a grocery store, you're somehow different, you're a permitted use, somehow different than a gas station that exists freestanding, and we would have to think through how that is an equitable situation for two use that's other than the fact you're associated with the grocery store they're kind of the same use. The issue commissioner Leonard is raising would take research on our end about can we say one type of fuel product is allowed and not another. We would have to look into the land use --

Leonard: We've already looked into that in my office and we've worked with the city attorney and quite a few stakeholders on the ideas.

Zehnder: Good.

Potter: It's my understanding, what I thought you sneddon your testimony, you don't expect to actually build a gas station any time soon, you just want that as an option.

Whitlow: We want it as an option, it's being looked as a potential site. They have lists of sites that would be qualified for fuel based on circumstances. This one does qualify for fuel in terms of traffic volumes, and the site is sized to be available to add it. There are other considerations they have to look at. But the industry -- and also, in conjunction with remodeling, stores that are remodeled compete internally, there's more stores they want to remodel than they have money for, so if you have the economic advantage of being able to add fuel, that helps that. It doesn't necessarily a bright line, but I think there are certainly they want to have the opportunity. Right now it's just prohibited, so if they -- if everything else lines up, they're stopped. And that stops them from growing and expanding, and they invested on a 40-year basis, there's almost 30 years of that left. So the likelihood of this site actually doing a major redevelopment, a tear-down and rebuild is a long way in the future. This would actually we think enhance, increase f.a.r., allow in its own way some fundage a-- frontage along the sidewalk that would add to the pedestrian environment, even though it is a fuel station. So we just want the opportunity of engaging in that discussion. It's going to be part of a design district, community-designed guidelines will apply. The other components would be, you know, there to at that point fashion conditions and work out the detail. But we would really appreciate the opportunity to be able to stay in the game with the other grocery super markets in the industry. When this store was developed in 1984 the industry hadn't gone to fuel. Grocery just -- they had departments. It used to be you'd have to go to a

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butcher store to buy meat. The things that are now in super markets that are givens, deli, pharmacy, floral, bakery, they've all been part of the evolution. So now it's fuel, and we just need to be able to keep up.

Potter: How do we work this out so we can keep this as an issue? I don't really want to consider approving this without the reckery it is research from you folks as well as community input.

Zehnder: I would ask for pete to make sure I get this correct, but we could convenient another working group meeting and vet this idea, the gas station at that location. It would take -- it would extend our process, but we could pull together that meeting and get that considered. We wouldn't -- this would be an amendment that would be -- it would be great to have you all direct us to do that. We're after the planning commission stage, so the idea wouldn't be to take a proposal back to planning commission. This would be additional deliberation that you've asked us to do. So you could consider an amendment to the proposal.

Leonard: How long would that take to do that?

Zehnder: A few weeks.

Manning: At least a couple weeks to put the working group together.

Leonard: By august 1?

*******:** I believe so, yes.

Zehnder: We'd like to do it more quickly than that.

Leonard: Oh, ok.

Potter: And I think there's -- I don't know about the timing issue with the talking group in terms of what that would mean for them. Is there a place holder we could put in place, proceed with this, and then use the place holder to come back to later with recommendation from you and then vote either up or down?

Zehnder: The cleanest way to do it is for us just to conclude your testimony that you're going to hear today, put on the table any amendments that are questions, and we'll come back with you with follow-up to those questions. And we can make sure that we do this deliberation with the community as part of us coming up with the answers to the questions. So that's how I would propose --

Leonard: I would tell you from my perspective, I would want the proposal to be tied to a biodiesel initiative. I just know for a fact there are members of the community that live out there that drive diesels that prefer biodiesel that drive all the way into the city, miles out of their way to fuel up. There are no stations out there like that. So I would want the discussion with the community to include that, that this proposal would not just be the standard kind of service station, but one where it would be the first one east of 17th, southeast 17th I believe, repository of diesel fuel that had a biodiesel component.

Potter: With the approval of the council we'll direct it back to the planning bureau to proceed and come back with a proposal.

Zehnder: Great. We'll do that.

Manning: Thank you.

Steve Abel: I'm an attorney with stoel rives, I represent ray reece volkswagen at 122nd and burnside. Essentially at the northeast corner of that intersection. Kind of a bullseye of the district when the graphic was shown with the big circle, right in the middle of that circle next to the light rail station is ray reece. Ray reece has been in that location for about 30 years. And representatives of ray reece have been involved in the working process in the working group. As you know, the amendments before you advanced by the planning commission would prohibit exterior display in certain locations, and in fact some of those locations are locations where exterior display has existed for quite some time. That would mean that these sites, not only the tonkin site, but the ray reece site works continue to be a nonconforming use in the respective zone. I don't want to take time today to talk about what I think are some significant policy issues about continuing good

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businesses in nonconforming use status. They're are real business use consequences, including the inability to expand in some circumstances, insurability and operational impacts. I think your staff has recognized the problem of being in a nonconforming use zone and has offered some tweaks to chapter 258, the nonconforming use section of the code in order to fit the circumstances of auto dealers. And we recognize staff in doing that and appreciate staff having taken that advance. In that respect we support the plan with one amendment. And that amendment has been given to staff, that is in the minimum floor area provision, 421 minimum floor area, for those nonconforming uses that have existing buildings on their sites, we want to make sure that if there is a small expansion of space within that site, that doesn't reach 4-1, that that does not trigger the obligation to go to 4-1. That the ability of the floor plan to increase, the f.a.r. To increase to the site to maintain business flexibility on those sites are important. So i've given you proposed code language which makes clear those expansions can take place without triggering an obligation to tear down the buildings, if you will, and completely rebuild to .4-1. That concludes my testimony. I would be happy to answer any questions.

Adams: What kind of response have you gotten from city staff?

Able: The response from city staff, they're look at the code language. I believe you'll have to ask them, but I believe they believe that even without the code amendment, that you can expand on site because you're bringing -- you're become closer to conformance, and therefore you do not violate or do not trigger the .4-1 obligation.

Potter: We'll hear from staff after these two folks testify.

Adams: Thank you.

Potter: Sir?

Joseph Rossi: I'm joseph rossi, i'm a person in the community that's been in the community for a long time. I've worked all 43 of my years on 122nd, and my father, all 86 of his. We have a business down the street from the tonkins, and I just want to say the tonkin family, though i've never met brad and ed, the tonkin family is well known for supporting a lot of nice things in our community. Over and above what you hear about, specifically we raise money for local kids every year, and the tonkins were the very first ones to support us, and they continue their support to this day. I'm overwhelmed with sadness by hearing some of the testimony, because I think that -- I know from a business standpoint that increased burdens of what you do raises costs of what you do, and makes it harder on you. And some of the things I hear is -- makes me sad because the contins employ a lot of people in our community, they have a lot of parents of the kids that go to parkrose and david douglas school district, work there, short drive to work, it's really nice, I think it's a great model. I think in an expanding month dwell like that's great. I look at the honda store they built, and it's just beautiful. I really like it. I was really excited when I saw that store come to completion. It doesn't seem to fit with what we're talking about, maybe for something more they have to do. I do know also that a safeway store, fred meyer store, the biggest, nicest looking produce play where the customers see everything really helps sales, it's why the stores strive to buy bigger and bigger properties and bigger and bigger stores. I also know that sales would diminish if the produce guy said, put all his pares in the back -- pears in the back room. The theory is someone will ask for them, but that doesn't happen. It's going to severely affect what the tonkins can do. Also, there's a tendency to think of a business owner versus community standpoint. And really, we can't think like that. The business owners are the community. They are who employs our people. I heard 800 employees by the tonkin family. I think that's commendable. I think that diminishing their capability selling cars directly corresponds to the ability to hire people and pay very good-paying jobs to our community. I think -- I can't see where this is going to help anybody in the tonkin aspect, our community. I know the tonkins are well respected and liked, and if this was bare property, i'm all for these proposals. I think they're great. Pedestrian friendly, taking the bus, i'm

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all in favor of that. But we're dealing with something existing, an existing model that works well, and I don't think we should just start over.

Bonnie McKnight: Mayor Potter, members of the council. My name is Bonnie McKnight. I live at 1617 Northeast 140th Street. The 122nd Avenue station proposal today has been developed through an excellent public process. Barry Manning has been thorough, understood the need for lots of public discussion, and kept the study work group of which I was a member, informed and involved.

The architect was very valuable to us on the committee and understanding what we were trying to define, and then putting it on paper. With all of this, however, there's still no consensus that the product of our efforts really gets at the core problem. Auto dealers are businesses that provide economic benefits to our area. Earlier zoning intended to limit their growth by -- by a pedestrian oriented area which in my opinion is difficult to see in the near future. While the way cars are displayed for sale is changing, how much of that change can be forced before the businesses themselves are harmed? I think the core of the problem is East Portland has never had any plan which defines how we will get from where we are today an auto oriented community, to where we need to be in the future, a more pedestrian friendly place to live. East Portland has been annexed for more than 20 years. We now have the same code requirements, design criteria, transportation definitions, and urbanization expectations as those parts of Portland that have urbanized gradually as part of this city. Auto dealers along 122nd Avenue are part of our past and like it or not, part of our present. The construction of these light rail -- the Eastside light rail system could to this point the urbanization has largely centered on higher density housing. Even Gateway as regional center with the convergence of bus and rail is still large retailers with large parking lots. The north-south feeder bus service that was to help us leave our cars in the garage has never materialized. Most of our transit streets have housing at transit densities, but no bus service. Almost everyone living in the housing driving a car. Pedestrian shopping areas are still all -- auto oriented malls where the walking you do is inside the mall or through its parking lot. The most recent urbanization in Gateway regional center attracted Lowe's, Red Robin, Olive Garden, and Office Max. Rather than small shops and stores. The 122nd Avenue station study has been faced with a problem that we have no plan in place to direct or even assist our transition to a more urban environment. These Portland neighborhoods are now working to build political support for a budget decision you will make next budget cycle. We have a placeholder in the 2007 budget -- Bureau Planning budget that would fund the development of an East Portland plan. Just as the central city plan has provided guidance to decision making, we know an East Portland plan will make a decision like today's easier. In this case, the auto dealers in the community are both right. 122nd will someday be more pedestrian oriented. The problem is that right now it is not. The question for you is how do we get there and what planning transitional guidance and special investments do we need to make those changes happen?

Potter: Thank you, folks. I'd like to get the response from Barry and Joe regarding Steve Able's --

Manning: I'm going to ask Douglas Hardy of the Bureau of Development Services to come up and join us. Bureau of Investment Services administers the code and he's been working with us throughout the development of this code. The intent of the code was to allow an auto dealer, even if they were in an area where they said exterior display is prohibited to reconfigure their sites and move their display around so that they can reinvest in their build can and add floor area to that site. So our understanding of that code is that it would allow through our nonconforming development standards incremental additions to that site, bringing it closer into conformance with the minimum without actually having to meet it. The only time you'd have to meet it is if you completely cleared your site and started over from scratch. Douglas, do you want to comment?

Douglas Hardy: In the existing standards in the zoning code for nonconforming use, it's fairly clear that you can make alterations to a site that's nonconforming as long as they bring the use closer to conformance to whatever the standard is. So while it may not be explicitly clear in the

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east corridor proposed standards, it is clear elsewhere in the code as it applies to nonconforming uses.

Zehnder: So the upshot of that is that staff is in agreement with the point that steve able is trying to make. We believe the code does it, so the amendment is unnecessary. He's asking for an amendment that makes that point in his opinion more clearly than the current code. So there's not a code or policy conflict.

Potter: Mr. Able, do you have anything else you'd like?

Leonard: You're asking a lawyer if he has anything to add? [laughter]

Adams: Mayor, you're in a very generous mood.

Abel: I can be brief. That nonconforming section of the code you may have noticed in my testimony, I spent time on the planning commission for all those years, that was the one section of the code I think causes the most confusion. In my practices I have moved -- worked with clients that section of the code is probably the -- one of the most difficult sections of the code to understand. You have to balance it again all of the rest of the code in making decisions. So it's very important I think for the folks who are involved in these particular properties and the fact they continue to be non conforming uses to I think have certainties. So I would still say I think that code amendment, maybe staff would want to tweak it before you make a decision, is important to make clear in that section of the code that, yes, there is the right to make those incremental changes. So often what happens when the code is not clear is they come back to somebody else in staff and barry manning is no longer in that position, and I can't find much of anything. We read the code and somebody across the counter says, you know, I don't read the code that way. And then we're stuck in a situation where we have to go work very hard to figure out what that code meant. Clarity is like number one in my book, and I think that my proposed amendment makes clear what we all intend. And I think that has benefits to the city and to all the business owners and residents of the community. Thank you.

Manning: If I can respond, barry manning, planning bureau. What i'd suggest, mr. Mayor, city commissioners, is that we take the proposed language, take a look at it, see how it works and then I confact mr. Able and try to come to agreement on the best way to handle that that satisfies his need and also satisfies the needs of our code editor in making sure that's clear as well. We agree the intent is the same, so we'd -- I don't know that you'll be able to make a decision on this whole thing today, so we have a future date, we can come back for clarification and agreement.

Able: That's totally fine with me. That would be great.

Potter: Thank you.

Potter: Please state your name for the record. If you can, keep it under three minutes.

Marilyn Clampett: Marilyn clampett, I live at northeast pacific street, which you might -- I want you to know is about eight to 10 blocks from -- for me to walk down to 122nd and glisan. Which I do. And I also walk -- have walked to max. I don't do it often, but I have done it. I use a different route. I want you to know that I am concerned about the people pedestrian part of what barry has proposed. I do think he's done a very fine job, by the way. I've gone to almost all the meetings. Many people use that area for getting back and forth down to max. I don't know that the tonkins have looked out there to see that or not. They don't tend to be so much on their side of the street as the other because it's not as pleasant to walk. I'm looking forward for this to be accepted the way it is and have nice development along the east side from glisan especially down to stark area, and for pedestrians. I don't quite understand the parking in these entryways, but I think you folks probably explain -- understand it better than I do. I think they will still be compatible with pedestrians and that's what I want to see. Thank you.

Barbara Harrison: Mayor Potter and members of the Portland city council, good afternoon, gentlemen. I'm barbara stickily-harrison, I live at 1131 southeast alder street. I'm here representing the hazelwood neighborhood association. Board member joyce and myself represented

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hazellewood neighborhood association on the 122nd avenue station area study. Our association had three major concerns when we began to work on the study. At this time we have several large automobile agencies on 122nd street, and we wanted to work to avoid 122nd becoming another auto row. But by the same token appreciating that the auto dealers had to make changes in their physical plan. Secondly we wanted the best interest of other businesses and future businesses be considered whenever any changes in land use and design review guidelines were being considered in the planning recommendations. The large businesses in our area such as fred meyer, home depot, ron tonkin, target, are all very, very important in the scheme of things in our neighborhood. And for many, many reasons. However, smaller businesses and the future small businesses in our area are equally as important. They provide service and expertise that the larger operations can't always provide. The last major concern was the welfare of the folks living and working in the hazewood area. We wanted the existing residents in the area as well as any future residential development be considered whenever any changes were made in the codes or the land use. Landscape guidelines, street connectivity, all of these things, these people needed to be considered. We expected a very positive impact on our neighborhoods. The summary of recommendation itemizes the goals and objectives of 122nd avenue station area study. The goals and objectives take into consideration the concerns of our neighborhood group. Portland planning commission has forwarded the 122nd avenue station area study recommendation implementation amendments, and their recommendations for your consideration. The Portland design commission has also forwarded their recommendations to amend the community design guidelines as shown in the area study. Our hazelwood neighborhood association has given this a lot of attention. And we're very concerned about what happens in our neighborhood in the future. So we ask you to vote for these recommendations for the good of our hazelwood neighborhood. Thank you, gentlemen.

Mark Boehi: My name is mark, I live at 721 southeast 135th. I also live in the hazelwood neighborhood. I live five minutes drive from the tonkin dealership where I work, and I feel it's a great benefit to have the dealership this close in our neighborhood. I can walk to work in 15 minutes, of course we all know what that's worth for saving gas nowadays. I work in the parts department where i've been for 12 years, and we service 15 technicians and 10 body men with parts. These are all well above average paying jobs, very important to all of us, and their families as well. I feel that having our dealerships close to the max line is an advantage because we have many customers that have their cars left with us all day long, and then they ride the max off to work. Our dealerships have been awarded the president's awards, our dealerships have been voted to be the top 100 places to work in the state, and I think we're doing a great job and we're asking for your help so we can maintain our excellence. Thank you.

Potter: State your name when you testify. You each have three minutes.

Joyce Rothenbucher: My name is joyce, I live at 10759 southeast market. And when I came here today I wasn't sure actually what I would say. I have been part of the planning process as hazelwood's alternative representative, but today i'm just here to speak from the heart and basically to tell you that this is a compromise. It was nobody's agenda, and it represents a lot different entities, including the design commission and planning commission. And I gave careful thought to everything I did here and any decisions I made because of that that in any way are incorporated in this book. And I do think that the overall plan is a good plan. I certainly hope it's a workable plan. I would not want to lose any of the businesses of our area. But like a local resident and neighborhood advocate, I see so many apartments being built in our area, and I know there are needs for more businesses to service those people, and that's really the only -- the main reason that if anything would be adverse to any of the automobile dealers, that those decisions were based on. Thank you.

Linda Robinson: I'm linda robinson, I live on northeast 135th. I'm with the hazelwood neighborhood association, but my comments today are my personal comments. I'm urging you to

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adopt the recommendations as is forwarded to you from the planning commission and the design commission. Especially important that we main the size of the nodes that was agreed upon at the planning commission, which was larger than the original proposed nodes. In order to get those businesses that the smaller businesses that really will serve the pedestrian orientation and the neighborhood needs. We're not trying to drive out the auto dealerships, we're trying to figure out a way to accommodate them and also have the other businesses that the residents in our area need. So the other thing is regarding -- i'd like to make a comment about the idea of the gas station at that node. I think it's a bad precedent. We work very hard to preserve those three nodes with the pedestrian orientation and to let the auto oriented businesses expand in between. I think to let someone else -- another business expand and do an auto oriented thing is a bad precedent. If they did it at all I think they would have to have the requirement that they offer alternative fuels, but I still think you should look at that as what kind of precedent does this set for other pedestrian areas. Another thing that kind of troubles me, it's my understanding that the existing zoning on 122nd and burnside is c.s., and that it's been proposed to change that to c.x., but when I heard the testimony on behalf of the auto dealerships, I thought I heard them say they were urging you to put a c.m. Zoning on that. This is something that has not been mentioned by anybody, and any public forum, and i'd like some clarification on that proposal which I thought I heard and i'm not sure, and i'd really like some discussion about that.

Danny Drake: My name is danny drake, i'm with l.r.s. architects on southwest salmon in Portland. I'm here representing the tonkins. I thank you for listening to my testimony today, mayor Potter and the commissioners. L.r.s. is a top 10 local architecture firm with over 30 years of experience. In that time we have served the tonkins as well as numerous other dealerships in Oregon and southwest Washington, making us a top architectural firm in the northwest serving this market. With this experience we've gain add great deal of programming knowledge on how an automotive sales and service site and building must function in order to be safe and efficient, yet still have aesthetic appeals to its owner, customers, and the public as a whole. These functions within and around the building are important pieces of larger puzzle that must be carefully put together in order to complete the vision and make it a successful business. As a projects manager that sees projects from inception to the grand opening, I have found each passing year the requirements of the planning and design guidelines have been helpful in creating successful projects. Though at times I have found hurdles that can be difficult or downright impossible to pass. One of these hurdles I have discovered in this current study plan we're talking about is a 20-foot setback that's allowed for display inventory in front of the buildings and front property line. Many think this allowance will work, but in reality the vehicleless never be able to maneuvered into position, taking into -- taken into account there's no access drives, not being able to use the public sidewalks as maneuvering, the building entrance circulation, a five-foot landscape feature to soften the effects in between these feature displays and the sidewalks, as well as a reasonable five-foot customer viewing zone around each vehicle. This setback would be workable with a minor adjustment of an increase of four foot to 24 feet. This would allow itself to align with a more consistency with the existing code for travel lanes at 24 feet. I also conferred with the ton kate winslett about the other issues being presented today. Mayor Potter and commissioners, I thank you for listening to me and take my testimony. Please keep in mind these small changes make the difference between a good idea and a workable one.

Leonard: Before you leave, linda, the -- your concern again was what did you hear?

Robinson: It was my understanding that at least I thought I heard them asking for a different zoning in that area right at 122nd and burnside on those four properties that are right adjacent, which is in the node.

Leonard: I'm looking at what they said, they're shake their head no. I didn't hear --

Robinson: Ok.

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Leonard: There is a proposal to convert all proposed commercial, c.m. To c.x. Which is central commercial. But that's different than what you're saying.

Robinson: I just had concern I thought I had something being proposed that no one has really discussed.

Potter: Barry, could you explain that to linda?

Manning: I think what linda is referring to is the c.m. to c.x. proposal that commissioner Leonard is talking about. The proposal that's come to council via planning commission still retains some c.m. Zoning --

Leonard: That isn't at those nodes.

Manning: It's at the burnside node. I could show azoning map.

Leonard: I'm looking at it now.

Manning: So that's -- I think that's the issue linda is referring to. Just for clarification.

Robinson: Which has had no public process that i'm aware of.

Potter: State your name when you speak. You have three minutes.

Arlene Kimura: Arlene, I live at 112 northeast 133rd. I have lived in hazelwood for 23 years. I do feel that the planning commission's recommendations and the design review that -- the design commissioner asked for has been a very difficult compromise. I know that the auto dealers would like some adjustments, and I also know the neighborhoods didn't get everything they wanted. But I feel that the compromise reached with the design commission, the planning commission, was eminently reasonable, there are obviously some tweaks that you guys are going to ask for, but I really feel we should support this process and the recommendations. Thank you very much.

Potter: Thank you.

Moore: That's all who signed up.

Potter: Did you wish to --

Leonard: Yes. I think Karla has these amendments for the audience. I want to -- before I propose this amendment, mayor Potter, I want to explain a little bit of how we got here today. I was trying to remember the date, I think it was three years ago when the honda dealership issue arose. Literally I read about in the paper a decision made by the bureau of development services which was a bureau I was assigned at the time that had denied a permit to -- the ron tonkin dealership to replace the old honda store with a new one. And of course I was alarmed because that was coming on the heels of not very long before that what was I think a concern for the community, and that was a similar kind of experience for columbia sportswear that caused columbia sportswear to leave Portland. So I went to the bureau of development services to ask what the basis for the denile was. And in fact it was this code that had been developed that we're discussing amending today. And I want to be clear that that -- at no time in that process did any of the ton kate winslett call me and ask for any kinds of help. What I knew and what I was reacting to was solely based on an article in "the tribune." nor did they at any time to their credit threaten the city with leaving. As I learned, they really had no choice but to, if they were going to build a new store, and they were told they had to by honda, they had to build it somewhere other than that area. And the choices to them were southwest Washington or somewhere else. We were able to find a short-term solution to that problem. So we have a honda dealership there that I think is an asset to the community, and I say that as a person who lives out there. I don't just go out there and observe and then go back into town. I live, I shop, and recreate a lot in the area. I'm a little struck with some of the comments about this being a pedestrian area. That is not my first impression. It is an area that goes from basically marine drive to foster, 122nd avenue, that is unfortunately frerotte with some of the most challenging -- fraught with some of the most challenging problems that Portland has. I fear that if one of the dealerships that are there now were to move, it would add to another of the vacant commercial occupancies that we unfortunately see along 122nd. I would also tell you that the council and I have been contacted by the superintendent of david douglas where ron tonkin is, and

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she has communicated to us that they the district have benefitted greatly with them in the community out there helping with some of the most challenging programs they, david douglas, have. I've met with the community out there early on after this ron tonkin issue. The planning commission and the community promised to bring forward a proposal to fix what was I think an unworkable code, and I think we're pretty close, and I appreciate the hard work everybody has done. I believe that having these dealerships on 122nd is a good thing. If they're constructed in the right way. That add value to the community, that are aesthetically complimentary to the kind of community we want to create out there. I use the 122nd-bunside park and ride for tri-met. I am somewhat alarmed to hear that there may be some plan to remove that. I think that the community thinks of 122nd avenue as a retail and commercial area of the city that needs to have as much help from us as possible, and I want to do the right thing by the community and I want to do the right thing by the businesses that are -- especially when they're Portland-based, Portland-grown businesses. I have a bias towards those kinds of enterprises, and I appreciate greatly the work of all of them out there. I have some amendments that I want to propose that are -- first I want to ask, I don't know if anybody else picked this up, I heard testimony today that there was a planning group study compromise. As I understand it, it was composed of that group, community members, industry members, and city folks that came up with one set of recommendations, and that the planning commission recommendations were -- we're hearing today is actually a different set of recommendations. And I don't know before the testimony today I had quite heard that distinction. Is that accurate? Did I hear that correctly?

Manning: I'll try to clarify it as best I can. The study group worked for about six months on -- with the architects and consultant team to come up with compromises that you really do see reflected in the proposal that's coming to you today. It is attached as appendix one of this study. So it's the back half of this blue document. It had a series of recommendations about where auto dealers could be integrated in the area, how they ought to be designed, and so forth and so on, including the streetscape recommendations we talked about. That was I believe what you're referring to in terms of the study group compromise. It did feature coming out of that a different map, for instance, of where auto dealers with exterior display would be allowed. It was an expanded area, and I believe that tonkin spoke to that and showed you a map of compared to --

Leonard: Which included, for example, where the Multnomah county sheriff's office is now. They actually recommended one thing and the planning commission another.

Manning: The planning commission took public testimony and made some amendments to that map, shrinking the areas where those allowances would occur, and they made a couple of other tweaks. I can clarify a couple others, but I think that's -- because I think there are a couple of clarifications staff should make before council takes anxious, but on that point commissioner Leonard, that's the compromise I think everybody was referring to.

Leonard: Ok. I want to honor as much as I can what came out of the planning commission for sure, but I also want to honor the work of the group that spent the time developing this what I consider to be an artful compromise from where we began. I apologize for the length of my explanation, but I think it's important to understand how we got here from three years ago to now. This is a huge improvement and a tremendous relief for me that we have either of these proposals. I would really like to honor the work of this group who I understand is going to spend the lion's share of the time working out these issues. I'm proposing amendments that do that. I don't know if you would like me to read these, mayor.

Potter: You have these?

Zehnder: We have a copy, yes.

Leonard: Essentially the gist of the amendment is that -- without reading the whole thing, the street facing facades of primary structures must be within the old language, the proposed language from the planning commission is 20 feet. This amendment makes it 24 feet. And the display areas

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located between building and street allowed by b.4.c do not count towards the striking the 50 feet -- excuse me, 50% and inserting 70% maximum. And then amend map 521-4 to limit the prohibited exterior display and storage areas to 200 square feet at the intersection of 122nd and glisan. This says southeast, it should say northeast. The intersection of northeast 122nd avenue and northeast glisan. 200 feet square at the intersection of southeast 122nd avenue, southeast stark, and 300 feet square at the intersection of southeast 122nd and east burnside. And three, convert all proposed c.m. mixed commercial zoned areas in the 122nd avenue station area to the c.x. central commercial.

Zehnder: Of the amendments that's commissioner Leonard is offering, the map, the amendment number two is the one that was reflective of the committee's recommendation that was changed to planning commission.

Leonard: And I included the map on the back of the amendment so the audience, if you have the amendment, you look on the back you'll see the map.

Saltzman: Second those amendments.

Zehnder: Would you like comments on --

Potter: Would you?

Saltzman: Was that a motion?

Leonard: Yes.

Saltzman: Second.

Zehnder: There's -- of the amendments, if we could talk through the decisions that you're making, I think some were pretty clear and there may others there may be a technical explanation we can offer. 20 feet versus 24 feet setback, do you want to pull up that image?

Manning: Bear with me a second.

Zehnder: The difference between those four feet, this is that area in front of the auto dealer where we're allowing the setback so he can display cars. So you would be going from a 20-foot setback to a 24-foot setback. It gets you a little more maneuvering room so you could line up more cars there. And that's really the gist of the difference. The 20 feet was based on --

Manning: If I can explain the intent of the 20 feet versus the 24, the idea behind the 20-foot was to allow an organized and well-designed display integral to the building design in these new dealerships. We had looked at those examples from Broadway in Oakland where we had the different cars displayed in different ways, not necessarily parallel parked in front of a building, and the 20-foot was designed to allow for that activity. So 24 would be increasing the design commission was pretty clear about not exceeding 20 feet. So that was their -- they strongly felt about the 20 feet being a maximum with respect to that. The other thing I want to clarify on that is that Mr. Drake indicated there would be a five-foot required landscaping strip in front of that display area. That's not the case with this 20-foot allowance. That display area is conceived of, at least in the code language, in -- I also want to interject this, is going through design review so there's the ability to modify the regulations. But the area was conceived as mostly hard scape with some softscaping integrated into it so you have an integrated display into the front of the storefront acting as an extension of the show room.

Zehnder: So the change is four feet, more cars, different sort of approach to display in front of the store. The 70 versus 50%, I think we covered that pretty well in the -- our original presentation. It's really a judgment of the impact of 20% more of the site being just a car lot versus a building on 122nd. So that's really a pretty clear kind of decision. This was in the original committee proposal was supportive of 50%. Exterior display and storage, the second amendment. That refers to the nodes. The original proposal defined 200-foot nodes at glisan and stark, and a bigger node, a 300-foot node at burnside. And at planning commission, the planning commission just sort of listened to the testimony and thought about the purpose of the nodes as just as you heard, to get more local serving businesses into make it more walkable, not trying to pretend we're going to have, at least in

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the near future, a calm -- a calm and wonderfully walkable 122nd, but they thought more of the opportunity to really have that was on the cross streets, and so that's why they emphasized making the nodes at glisan and stark larger. So they ended up making those nodes correspond to the same size as property lines, so they went with that. Though originally we had these more -- the smaller more modest nodes. What would happen under the -- there proposal is that within those white areas, within the nodes, i'm looking at the map, the 521-4 map, there would be no exterior display. So you can still have an auto dealer like their illustration shows, that fills up 200 feet. All the parking and display area has to be outside of it.

Manning: Can I make a comment on that? I just wanted to add one other component to the node discussion. When we originally work on this compromise and developing the allowances with the consultants for the amount of frontage for car lot versus building, the 50% limitation was seen as working in conjunction with the size of the nodes. So the smaller nodes that we're talking about here in the original staff proposal were integrally linked to the idea you weren't going to have large expanses of car lots. So i'll just mention that for council's consideration.

Zehnder: You can see these -- the first two amendments are in the realm of tweak and you can use your own judgment as to how effective or not they are. We need to raise an issue with the third amendment. Just to make sure you understand it. Barry is going to show you the zoning map. Most of our discussion has been on the east side of 122nd. This is on the west side of 122nd.

Manning: It's the c.m.d. area.

Zehnder: This is the area that is concentrated around the transit station itself. And c.m., if you recall, is a zone that lets you have commercial, but for every piece of commercial you put in you have to match it with the residential unit as well. So the thinking was, and this dates back from the outer southwest community plan this, zoning has been in place for a long time. And it was thought to be a way to have that real mixed use kind of presence at a station area and also to not rule out commercial, get your residential as well, because you want riders near the station. It's an advantage to the train and the rider. The changing to the c.x.d. opens this up for more general commercial use. So in a policy set, we face the issue of getting over the no net loss of housing issue because c.m. is a housing zone as well as commercial. C.x. Is straight up commercial. So we would have a policy issue there that we'd have to grapple with. And this was not really an idea that was discussed as part of the community process.

Saltzman: C.x. Can have residential as well?

Zehnder: The way they calculated it, the state calculates that, it counts as less. So it's a small issue, but it's a policy issue for us.

Adams: How much less?

Manning: C.x. does not require any residential. The c.m. requires it as joe indicated at a 1-1. I have to look at the code to see what our calculations are. Basically it's half the floor area. The way you calculate this is a technical thing, you calculate the maximum floor area, then you have to subtract out half of the floor area for commercial, and then you divide by 900, which is the average unit size. I don't know what that calculation comes out to be, but it's a number of units because there's a significant amount of floor area allowed here.

Zehnder: I think it's in the tens of units. It's not -- you think its more?

Manning: I think it's more units than that that would potentially be lost, probably in the hundreds.

Zehnder: Low hundreds.

Sten: You mean hypothetically.

Zehnder: Hypothetically yeah. It's a policy, part of what we have to do --.

Sten: I think the policy has outlived its -- I think it needs to be rethought, at least as subdistricts or something. We've added so many units, I have a hard time finding it meaningful in spot zones like this. I get the idea of forcing house can, but the idea it's a huge loss to the housing potential zoning

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housing potential with the city and the pearl and everything that's come in since the citywide policy was created is intellectually tough.

Zehnder: I agree with you. I would offer it because it is the policy and I need to. I think the question I would ask you all to consider is, we're making all these -- we're really open -- 122nd for auto dealerships. This additional chunk of c.x., we hadn't ever seen or discussed an auto dealership use, so i'm not sure what it's for.

Leonard: I'm struggling with the kind of approach that has been taken on this issue since before I was on the council that you just articulated as liberal eyes can the use of auto districts. I'm afraid as a member of the council and a person who's grown up here and as a person who lives out there, I take a different view than we are liberalizing, and we are restricting beyond what used to be allowed in terms of what they construction -- what they construct out there. I'm sure you've been out to see the honda store, which I consider an asset to the community, especially over what was there. As I understand it, if we did nothing and allowed -- they would be grandfathered in at the older chevrolet store. Which is not an asset in the community right now. If we allow these modifications that we're discussing here as I understand the tonkins are going to rebuild into a construction that will be an asset to the community.

Zehnder: I agree. The liberalizing is the planner in me speaking. In a code sense we are. I agree with the thrust of this, and this c.m. to c.x. just strikes me as one I don't understand in terms of that sort of honoring the businesses out there and getting out of the way and making it succeed and getting more hondas, or the quality of that development, this one I don't see the nexus to do that.

Leonard: We're trying to revitalize the area. It is from an intuitive point of view it's a struggling area. And you need -- one need only traverse back and forth between the boundaries I gave earlier to understand that it's a struggling area. And we need to do what we can to help it survive first and then hopefully excel.

Zehnder: I'm not trying to be argumentative. We have seen residential development in the c.m., but we share the objective of trying to revitalize the area.

Manning: I would agree with commissioner Leonard's observation that 122nd clearly right now is a very auto oriented street. The traffic volume is about 25 to 30,000 bear that out. This is -- when we talked about it, you had questioned about the pedestrian district. The pedestrian district is applied in this quarter mile area around burnside. It's a relatively small component of the overall picture on 122nd. Regarding the c.m. zone, I think I understand your concern about that, and the thinking about that c.m. in that area. I can certainly appreciate where you're coming from on that. One of the questions we might want to answer, what would the impacts change have on that zone. There's a pretty substantial new residential development near the corner of 122nd and burnside built in the c.m. zone and we'd want to look at those relationships to see, there might be some reason to look at that a little more closely.

Potter: What is the net benefit, commissioner, in terms of the change?

Leonard: I think to allow some more diversely -- diverse development than what the current zoning would allow. And if you look on that corner now, there's an old lube store that's an old service station that goes from one occupancy to the other. Just as I said, it's one thing to have this discussion here, it's another thing to stand out there and actually look at what's happened and what is happening. I think we need to try to incent more diversity in terms of businesses out there than what appear to be kind of stuck given our zoning now. We're stuck with some old uses that can't change because of the restrictions on the current zoning that we hopefully can change by giving more options.

Potter: Going back to two for a minute, amending the map and reducing the sides of the nodes, is that the purpose of that particular amendment?

Zehnder: Yes, it is.

Potter: What does that look like?

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Zehnder: It's on the back, and barry, do you want to pull up -- I don't have the original, but we can show you the current nodes.

Manning: Let me get to these graphics. This is what the planning commission's proposal currently is. And this is what you heard in testimony being proposed by the tonkin representatives. Ed and Brad Tonkin asking for the original staff proposal. And this was the original staff proposal to planning commission back in november of 2005.

Saltzman: This was the proposal, that the first working group had recommended?

Zehnder: Correct.

Potter: This being the amendment.

Manning: Correct. A portion of the amendment. It's item number two.

Zehnder: So you can see the node, that white area on the map at stark, glisan and 122nd, it's considerably smaller than what's under the current proposal.

Manning: I'm going toggle back and forth. The current proposal draws the line at the bottom, the south end of the property line of the Multnomah county site. So it would take the hansen Multnomah county site for instance out of the opportunity for car lots and exterior display. You could still build a car dealership, you just couldn't have your cars outside of the so for many that's not an effective solution. The original proposal would allow a portion of that site to have exterior car storage.

*****: The tonkins --

Potter: Is this the picture that we're talking about?

Zehnder: Correct. In that building, I believe it would -- it's 200 foot frontage, so it's keeping the parking -- the car lot out of the node and that's the size of node that's reflected in commissioner Leonard's proposal. And the tonkins in our discussion was them have said they weren't able to have display in that area, the hansen lot would not be of interest to them or wouldn't work for them, and really it's an -- so it's a potential expansion of auto dealer ship that may be taken off the table at least from their point of view. The nodes at burnside, this goes to the c.m. A little bit. The nodes at burnside are 300 feet because that's where the transit station is. And we're trying to once again get -- keep those in the long run open for more dense housing development, but keep it -- that's why those were larger. And then there's another 200-foot node at stark.

Potter: Any further questions?

Saltzman: Not of these amendments, but I did have a question. The gentleman that owns the funeral home. What was the issue he was raising?

Manning: I'd like to clarify that. I should put those next to each other. We're back at this map now. The current funeral home is located, i'm going to point at the map on the left, which is right here. You can see that's blue. And that is currently in an r.h., a high density residential zone. So he's fully correct in his assertion that zoning on that -- as part of this process we looked at nonconforming uses and tried to rectify them where we could and make changes. This was another no-net housing loss issue. We are proposing to change the comprehensive plan designation to some higher designations or in some other areas to offset the loss. We're proposing, this is where mr. Phelps was not fully correct in his testimony, we're proposing to change the zoning on that to c.s., which is a commercial storefront zone. It does not require housing as a component of that development. So it's a straight commercial zone.

Zehnder: We think we've solved mr. Phelps problem. It may have been a misunderstanding.

Leonard: Probably.

Potter: Further questions? Karla, call the vote.

Moore: Public testimony would like to be given on the amendment.

Potter: On the amendment?

Moore: M-hmm.

*****: [inaudible]

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Pete Kasting: One way this could be handled procedurally is for the council to take a tentative vote on the amendments, that would allow staff to come back with whatever revisions to the findings are necessary in order to support those amendments, and it would give the public an opportunity to submit any written testimony that it may want to submit regarding the amendments.

Leonard: How are we going to work this with the other discussion we want to initiate relative to the fueling station? How are we going to coordinate this with that?

Zehnder: The amendment proposed by mr. Able would be one that if you -- unless we do a tentative amendment today, would be the first time that amendment --

Leonard: It's not mr. Able I was referencing, that's part of it, but --

Zehnder: The safeway one, sorry. I'm not sure -- i'm going to speak a little out of turn possibly, but i'm not sure we can come to conclusion on the safeway issue. We have a second follow-up council meeting scheduled on I think june 28, we anticipated you might want more information or some issues would come up. So we could bring information back then. I don't know that we can come to conclusion on the safeway issue that quickly. We certainly could provide any background information you need on this amendment, any implications, and on the steve able recommended amendment on the 28th, and you could vote on those.

Zehnder: The option sounds like it's to continue the hearing if you want to hear about the additional information about the safeway gas station issue and a possible proposal to do that so an amendment could be introduced later.

Kasting: I would recommend that if the council is ready to do so, you could take a tentative vote on commissioner Leonard's amendments, that way the public will know whether or not to submit additional testimony. And it will also give the staff an opportunity to conform the findings to those amendments if they pass.

Leonard: And they would testify the next time we had a session on the amendments.

Kasting: That's correct. Because the next session is where would you take a final vote on those amendments.

Leonard: That's where i'm trying to interject this discussion of the safeway proposal. I understood we didn't want to take a final vote until we had you come back with whatever the result was of this.

Zehnder: Right. I think the safeway discussion would be an additional amendment, and we would go back and look at the amendment that's proposed, look at your idea about the biodiesel.

Leonard: I understand, but i'm trying to figure out, i'm hearing you say final vote --

Kasting: On the amendment.

Leonard: Not on the --

Kasting: Not on the ordinance. Because as you know, a nonemergency ordinance can't be amended within five days of final passage.

Zehnder: We'll have additional chances to amend.

Leonard: Gotcha.

Potter: So then a tentative vote we just take it as regular vote?

*******:** Yes. I think randy thought he just had to raise his hand halfway up.

Kasting: These are three different matters, so you might want to vote on them independently in case council members have different feelings on the different proposals.

Potter: Are you saying the three sections of the proposed amendment from commissioner Leonard?

Kasting: Yes. Commissioner Leonard's handout contains three proposed amendments. You could put them on as a package, but since they do deal with somewhat different matters, and you might have different feelings on different portions of it, it might be simpler to vote on them discreetly as amendments one, two, and three. Providing we going to take testimony for those?

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Kasting: No. This is just a tentative vote. And if these amendments pass, then the public will know that they can submit written testimony and show up at the next hearing on this matter.

Manning: We can announce the date of that hearing at the conclusion of this hearing.

Potter: Tentative vote on amendment one.

Moore: Is there a second?

Saltzman: Second.

Adams: I'm going to support this amendment and I think it allows for a more workable way forward in terms of both what the neighborhoods want and in terms of what we want for businesses on the street. Aye.

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

Sten: Quickly I'll speak to the whole package. I'm going to support the packages. I've been going back and forth on all the pieces. I think I want to compliment all of the neighborhood groups and businesses. This has been a good process, and I think that we're indian to a couple small pieces. I've been going back and forth, i'm inclined to error in part -- how I think thoroughly the tonkins have taken part in this, their judgment on how they need to display the cars. We're making a statement we want to make the dealership work, and I think the extra four feet makes a big difference to them. I'm open to hearing feedback from people we've got a couple weeks, but I think if we're going to do it let's make it work. On the c.m.d., c.x.d., i'm concerned that the residential requirement is not realistic to trying to get that redeveloped any time soon. I get the policy point of view, but I think at the moment where somebody is ready to hub their, the zone doesn't prohibit that, so i'm going to support that as well. Aye.

Potter: Aye. Do you hear a motion on amendment two.

Leonard: Move amendment two.

Saltzman: Second.

Potter: Call the vote.

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

Potter: Aye. [gavel pounded]

Leonard: Move amendment three.

Saltzman: Second.

Potter: Call.

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

Potter: Aye. [gavel pounded]

Leonard: We're going to set a date to come back and look at this. Then we're going to get another date after that when we'll have a report back on the proposal of the fueling station.

Zehnder: Correct.

Leonard: That would include requirement a condition that it be a minimum 5% mixture of biodiesel.

Zehnder: And we'll hook up with the people in your office.

Leonard: I actually think because of the length of time some of of my more cryptic comments will become clearer and will help you in --

Adams: I doubt it. We can hope.

Leonard: Can help you in your analysis.

Manning: Can we ask Karla to announce publicly the date we have scheduled for the follow-up hearing on this? We do have a date selected.

Moore: It's going to be june 28 at 2:00 p.m., but mayor, you're already scheduled out. Then june 28 at 2:00 p.m.

Potter: Ok. Further business? Council is recessed. [gavel pounded]

At 4:18 p.m., Council adjourned.

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