



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **23RD DAY OF AUGUST, 2006** AT 9:30 A.M.

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

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

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

COMMUNICATIONS	Disposition:
1106 Request of Benjamin Allen Tate to address Council regarding rezoning of Linnton (Communication)	PLACED ON FILE
1107 Request of Stephen Conser to address Council regarding siting for a future public market (Communication)	PLACED ON FILE
1108 Request of James Blackford to address Council regarding rules for general assistance in 2004 (Communication)	PLACED ON FILE
1109 Request of Melanie Bloodgood to address Council regarding Red Squad activity (Communication)	PLACED ON FILE
1110 Request of Robert Hill to address Council regarding proportional representation election system reform for the City Charter (Communication)	PLACED ON FILE
TIME CERTAINS	
1111 TIME CERTAIN: 9:30 AM – Dedicate Block 173 to the Meier and Frank families in commemoration and appreciation of their outstanding contribution to the City of Portland and its Citizens (Resolution introduced by Mayor Potter) (Y-5)	36433

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<p>1112 TIME CERTAIN: 10:30 AM – Appoint Kristine Karnezis, Brian Krieg and Dianna Shervey to the Urban Forestry Commission (Report introduced by Mayor Potter)</p> <p>Motion to accept the Report: Moved by Commissioner Leonard and seconded by Commissioner Adams.</p> <p>(Y-5)</p>	<p>CONFIRMED</p>
<p>CONSENT AGENDA – NO DISCUSSION</p> <p>Mayor Tom Potter</p> <p>1113 Appoint Chuck Mello, Randal Crowe, Jim Ferris, Matt Bhupindar and Jeanette McLearn to the Electrical Code Board of Appeals (Report)</p> <p>(Y-5)</p>	<p>CONFIRMED</p>
<p>City Attorney</p> <p>*1114 Authorize execution and delivery of a First Supplemental Indenture of Trust with respect to economic development revenue bonds to allow Bank of Clark County to provide letter of credit to support payment of bonds with a confirming letter of credit issued by U.S. Bank (Ordinance)</p> <p>(Y-5)</p>	<p>180385</p>
<p>Office of Management and Finance – Bond Counsel</p> <p>*1115 Authorize second lien water revenue bonds (Ordinance)</p> <p>(Y-5)</p>	<p>180386</p>
<p>Police Bureau</p> <p>1116 Accept a \$581,435 Justice Assistance Grant from the Bureau of Justice Assistance, Office of Justice Programs to reduce crime and improve public safety (Second Reading Agenda 1077)</p> <p>(Y-5)</p>	<p>180387</p>
<p>Commissioner Sam Adams</p> <p>Office of Transportation</p> <p>1117 Set a hearing date, 9:30 am Wednesday, September 27, 2006, to vacate a portion of SE 39th Avenue at SE Holgate Boulevard (Report; VAC 10030)</p> <p>(Y-5)</p>	<p>ADOPTED</p>
<p>*1118 Amend contract with David Evans and Associates for engineering services on the NE 33rd Avenue bridge over Lombard Street (Ordinance; amend Contract No. 35496)</p> <p>(Y-5)</p>	<p>180388</p>

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<p>*1119 Grant revocable permit to Portland Institute for Contemporary Art to close SE Madison Street between SE 2nd and 3rd Avenues and SE 3rd Avenue between SE Main Street and Hawthorne Boulevard September 5, 2006 through September 18, 2006 (Ordinance)</p> <p>(Y-5)</p>	<p>180389</p>
<p>1120 Grant revocable permit to Portland Center Stage to close NW Davis Street between NW 9th and NW 11th Avenues on October 1, 2006 (Ordinance)</p>	<p>PASSED TO SECOND READING AUGUST 30, 2006 AT 9:30 AM</p>
<p>1121 Grant revocable permit to the Roman Catholic Archbishop/St. Stanislaus Parish to close N Failing Street between N Interstate and N Montana Avenues from 9:00 a.m. September 22, 2006 to 12:01 p.m. September 25, 2006 (Second Reading Agenda 1082)</p> <p>(Y-5)</p>	<p>180390</p>
<p>1122 Authorize an Intergovernmental Agreement with the Port of Portland for planning, design and construction of five transportation projects (Second Reading Agenda 1083)</p> <p>(Y-5)</p>	<p>180391</p>
<p>1123 Amend Intergovernmental Agreements with the Oregon Department of Transportation for the pedestrian crossing improvements on Barbur Boulevard and SE 82nd Street (Second Reading Agenda 1084; amend Contract Nos. 52013, 52016, 52017, 52018, 52019)</p> <p>(Y-5)</p>	<p>180392</p>
<p>Commissioner Randy Leonard</p> <p>Water Bureau</p>	
<p>*1124 Amend contract with Black & Veatch Corporation to include design services for Washington Park reservoirs in the Mt. Tabor Interim Security and Deferred Maintenance Project (Ordinance; amend Contract No. 36297)</p> <p>(Y-5)</p>	<p>180393</p>
<p>Commissioner Dan Saltzman</p> <p>Office of Cable Communications and Franchise Management</p>	
<p>1125 Extend revocable permit for Communication Management Services, LLC to install, maintain and operate public telephones on City streets (Ordinance; amend Ordinance No. 177928)</p>	<p>PASSED TO SECOND READING AUGUST 30, 2006 AT 9:30 AM</p>
<p>Office of Sustainable Development</p>	
<p>*1126 Approve an agreement not to exceed \$13,000 with the Tri-County Metropolitan Transportation District of Oregon to continue an experimental bus pass program for the Office of Sustainable Development for FY 2006-2007 (Ordinance)</p> <p>(Y-5)</p>	<p>180394</p>

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<p>1127 Authorize an Intergovernmental Agreement with Portland State University in the amount of \$57,900 to execute the Multifamily Recycling project (Second Reading Agenda 1085)</p> <p>(Y-5)</p>	<p align="center">180395</p>
<p align="center">Parks and Recreation</p> <p>1128 Accept a grant for \$20,318 from Metro Nature in the Neighborhoods Program to maintain and enhance Portland Parks & Recreation managed natural areas throughout the Fanno Creek Basin (Second Reading Agenda 1086)</p> <p>(Y-5)</p>	<p align="center">180396</p>
<p align="center">Commissioner Erik Sten</p> <p align="center">Bureau of Housing and Community Development</p> <p>*1129 Authorize Intergovernmental Agreement with Multnomah County for the cooperation of units of local government to prepare and update the Consolidated Plan to meet affordable housing goals and to receive payment (Ordinance)</p> <p>(Y-5)</p>	<p align="center">180397</p>
<p align="center">REGULAR AGENDA</p> <p>1130 Accept bid of Brattain International Trucks to furnish six 28,000#GVWR utility trucks for the Bureau of Maintenance for \$791,170 (Purchasing Report - Bid No. 105507)</p> <p>Motion to accept the Report: Moved by Commissioner Sten and seconded by Commissioner Saltzman.</p> <p>(Y-3; Adams and Leonard absent)</p>	<p align="center">ACCEPTED PREPARE CONTRACT</p>
<p>1131 Endorse the Framework for Labor Management Committees in City Bureaus prepared by Bureau Innovation Project Team #6 to guide the establishment of Labor Management Committees within each City Bureau (Previous Agenda 1067; Resolution introduced by Mayor Potter and Commissioners Adams, Leonard, Saltzman and Sten)</p> <p>(Y-5)</p>	<p align="center">36434</p>
<p align="center">Mayor Tom Potter</p> <p align="center">Office of Management and Finance – Human Resources</p> <p>1132 Create a new classification of Aerial Tramway Construction Project Manager and establish an interim compensation rate for this classification (Second Reading Agenda 1073)</p> <p>(Y-5)</p>	<p align="center">180398</p>

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1133 Authorize a labor agreement with LIUNA Local 483 for terms and conditions of employment of represented employees in the Local 483 Seasonal Maintenance Workers bargaining unit (Second Reading Agenda 1093) (Y-4; N-1, Adams)	180399 AS AMENDED
Commissioner Sam Adams Bureau of Environmental Services *1134 Authorize a grant agreement with Social Venture Partners, Portland, Inc. to increase ratepayer participation in the Clean River Rewards Program and programs to assist low-income ratepayers (Ordinance) (Y-5)	180400
Office of Transportation 1135 Vacate a portion of NW Lovejoy Street and NW 14th Avenue, subject to certain conditions and reservations (Second Reading Agenda 1095; VAC-10019) (Y-5)	180401
1136 Vacate a portion of SW Bond, Gaines and River Parkway, subject to certain conditions and reservations (Second Reading Agenda 1096; VAC-10029) (Y-5)	180402
Commissioner Dan Saltzman Office of Sustainable Development *1137 Amend the Fiscal Year 2006-07 Budget by \$110,000 to fund legal and financial consulting services related to the City effort to acquire 100% renewable energy (Ordinance) (Y-5)	180403

At 11:27 a.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,
OREGON WAS HELD THIS **23RD DAY OF AUGUST, 2006** AT 2:00 P.M.

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

OFFICERS IN ATTENDANCE: Susan Parsons, Acting Clerk of the Council; Linly
Rees, Deputy City Attorney; and Gary Crane, Sergeant at Arms.

	Disposition:
<p>1138 TIME CERTAIN: 2:00 PM – Appeal of Goose Hollow Foothills League against the Design Commission’s decision to approve the application of Butler Block, LLC and M David Paul and Associates for The Allegro Condominiums, a new 21-story mixed use development at 1715 SW Salmon Street and 924 SW 18th Avenue (Previous Agenda 965; Hearing; LU 06-110824 DZM MS)</p> <p>Motion to remand to Design Review Commission with instructions to the Commission and the applicant that the F.A.R. shall not exceed 9 to 1 on this project: Moved by Commissioner Saltzman and seconded by Commissioner Adams.</p> <p>Motion to amend the first motion to support the appeal and deny the application based on the central city master plan criteria: Moved by Commissioner Leonard and seconded by Commissioner Sten. (Y-5)</p> <p>Motion to tentatively support the appeal and deny the application based on the Central City Master Plan Approval Criteria; prepare findings for September 13, 2006 at 2:00 p.m. Time Certain. (Y-5)</p>	<p>TENTATIVELY SUPPORT THE APPEAL AND DENY THE APPLICATION BASED ON THE CENTRAL CITY MASTER PLAN APPROVAL CRITERIA; PREPARE FINDINGS FOR SEPTEMBER 13, 2006 AT 2:00 PM TIME CERTAIN</p>

At 5:40 p.m., Council recessed.

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,
OREGON WAS HELD THIS **24TH DAY OF AUGUST, 2006** AT 2:00 P.M.

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

OFFICERS IN ATTENDANCE: Susan Parsons, Acting Clerk of the Council; Kathryn Beaumont, Senior Deputy City Attorney; and Gary Crane, Sergeant at Arms.

<p>1139 TIME CERTAIN: 2:00 PM - Accept Planning Commission recommendations and provide the Planning Bureau policy direction regarding the future land uses of the Linnton waterfront area and other implementation actions to be considered through a follow-up legislative process (Previous Agenda 993; Report introduced by Mayor Potter)</p>	<p>Disposition:</p>
<p>Motion to not accept the Planning Commission Report and no further action be taken to pursue changing the Comprehensive plan Designation or Zoning for the area in Linnton between the railroad and the river: Moved by Mayor Potter after passing the gavel to the President of the Council, Commissioner Saltzman, and seconded by Commissioner Leonard. (Y-3; N-2, Adams and Sten)</p>	<p>DENIED</p>

At 2:43 p.m., Council adjourned.

GARY BLACKMER
Auditor of the City of Portland

By Susan Parsons
Acting Clerk of the Council

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

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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.]

AUGUST 23, 2006 9:30 AM

Potter: The question is, how are the children? We know when our children are well, our community is well. And each week we invite experts in to talk to us about the issue around children. And we have three experts today with us, and if they would come forward, these three students are from pivot, it's a job corps program, it conducts data entry training for these young people, and april mayo, trese, and crystal. Is that right? Thank you for being here. I met these young women and 30 or 40 other young women at a training program at montgomery park, and I was just so impressed with their enthusiasm and dedication to really changing their lives and building on a better future for themselves and their families. With that i'll turn it over to whoever wants to start.

April Mayo: Hi. My name is april mayo, i'm 18 years old and I was born and raised in Portland, Oregon. I have lived in north Portland my whole life. I graduated from jefferson high school three -- attended jefferson high school three years. I graduated six months before the class of 2006. During that time I took advantage of this and enrolled in pivot, a job training program on march 29, 2006. At pivot my goals are to god wait by december 15 and work as a translator at ohsu hospital. I also have worked for the food industry for four years. During that -- during my free time I enjoy going on field service with my family as part of jehovah's witnesses. I am part of student government association and director of public relations. I am also involved with the recruiting team to bring more young women to a great program with amazing opportunities. I have lived in Portland near lombard and albina my entire life. I always liked how -- it, however, in the last year crime has gone up a whole lot. In one month four of our family's cars have been broken into. They took papers, compact disk and change, anything they could get their happened on. They even took three different stereos, the robbers have even gotten to the point they went back in the back of our house and cut the cords to our cameras we set up to watch our home. I believe this affects everybody because one day things can get much worse and next time they will get in. Not just my home, but anyone's. One thing I do love about my neighborhood is that all our neighbors get along well. And we watch out for each other, and that is great. It also makes everyone feel more comfortable and more like family and that's always nice. I would like to see a few things change for my neighbors, my family, and friends. I don't want them to go through all the things my family has. I think we could fix this by having police drive by once in a while. I never see police officers in my neighborhood, and i'm sure that -- the thieves see that too. It's also dark on our street, and that's another reason why we have various problems. I would like to see police patrol once in a while, and if possible, one more light pole on our street. These changes will make my neighborhood feel - - neighbors feel safer and crime rate will be able to go down. Thank you for your time.

Potter: Thank you.

Cristal Carvajal: Hello. My name is crystal, i'm 17 years old. I live in the northeast Portland area. I attended centennial high school for three years and now I enrolled in the pivot program may 2006. I have currently passed the science and social studies test for my g.e.d. and I have three more

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to finish. I'm from a large family that migrated to Oregon from Mexico. I was -- before I was 1. I volunteered at the Red Cross for the Portland Rose Festival decorating floats. On my own time I also volunteered to collect money for the Katrina fund in the year 2005. My goal is to graduate from point of view on the in February 2007. I want a career in the medical field and attend cosmetology school. I live in the northeast Portland area near 162nd and Glisan. I live -- I have lived there for only about a month and a half. The area is kind of dirty and the sidewalks need to be rebuilt. People walk up and down the sidewalks and deserve to walk on nice rebuilt sidewalks. People -- to make our neighborhood nice we need to rebuild sidewalks and plant better trees, plants, flowers, and make it interesting so it feels like home. In my neighborhood there are a lot of issues that do affect my neighbors, family, and myself. In my neighborhood there are a lot of gangs involving all races. All they do is walk up and down the streets, max, and apartment complexes. When I see people walking up and down the streets, I feel very unsafe. Especially in the mornings and afternoons when I'm walking to the max to school and back home. At my apartment complexes there are a lot of suspicious people walking up -- around the area. I'm pretty sure my neighbors feel the same as I do. My neighborhood needs a lot of protection to make it safer we need more security, more police, especially in the afternoon and at night. I believe the way we can make our school successful is by having teachers that enjoy their job. If teachers enjoy their job, they will make more class interest -- make class more interesting and make students focused and successful. Students shouldn't have an excuse to skip school. The way we can have teachers that enjoy their job and make sure students are learning is by having surveys filled out by students to see if teachers are doing their job. Enjoying school is very important to be successful in the future. Having teachers that care and like their job will make a difference in schools. Schools definitely need a lot of protections. Students are skipping classes too much and something could happen to them while leaving the school. Having enough security at school and in neighborhoods will make the area safe. Thank you for your time.

Potter: Thank you.

Patrece Hayes: My name is Patrece Hayes, I'm 16, I live in Portland most of all my life, and I attend Pivot. I attended Grant High School my freshman and sophomore year, and I would have continued for my junior year, only I was behind in a lot of credits, so me and my mom thought it would be best for me to attend Pivot. After hearing such wonderful things about Pivot from a friend of mine, my mom did research and I started Pivot right away. I plan on graduating from Pivot at the end of April or early May. And I plan on joining activities in Pivot like the recruiting team and the newsletter. The issue that I believe is affecting my community as well as others is gentrification. Gentrification has been going on for a long time, and it's not fair, because businesses of color that have been there for a long time are being moved out, which is causing them to, like, move out and be shut down. I think that -- sorry.

Potter: That's ok.

Hayes: Because of this, a store that provided hair and beauty products to African-Americans and a program for youth that have been involved with or affected by gangs have been shut down, like, they're gone now. And businesses like these are being replaced with things like doggy day cares and coffee shops, and it's unfair to me because the old shops that were there are now gone, and the new shops that are there are being helped with things like new sidewalks and fancy artwork, and the max. Another thing is that people who have lived in the community for a very long time are being displaced and moved out somewhere far, like to Southeast. And it makes it inconvenient for them to go to the places that they used to go to on a regular basis. I would like to see changes in gentrification because maybe one day myself or someone I know will like to own a business, and I don't want to have to worry about if my business is going to see another tomorrow. I would like to know that my business is going to grow and get support from the community. So one of the ideas I came up with that could fix this is community support. If the community can't support their local

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businesses or help their neighbors, then it's not really much of a community. So I think that community support is very much needed. So I thank you for your time and on behalf of pivot we thank you for letting us come here today to say our presentation.

Potter: Thank you. And on behalf of city council, we wish you the very best in your new careers, and in your lives. I'm just very impressed with the drive and determination you folks have to succeed. So could we give these folks a hand? [applause] thank you for being here. [gavel pounded] city council will come to order. Please call the roll. [roll call] [gavel pounded]

Potter: Let's start with communications, please. Read the first item.

Potter: State your name, and you have three minutes.

Item 1106.

Benjamin Allen Tate: Ben Tate, Linton, Oregon. The history of any town's existence is because people came to and built towns around opportunity to produce lumber, wool, ask cotton mills. Processing and packaging plants, greenery, shipyards, railroad towning, mining towns, and petroleum-based towns in Baker, Oregon, residents around their mills. People live across the street from potential log deck fires, logging truck machinery and fuel accidents. Dust, noise, and rail yards. This is true throughout the United States. Portland, for example, Linton is and was no different. The fact is, all towns through insight, common sense, and a positive planning, have survived and to what degree conquered the issues of safety and coexisting with the industry that created them of the to debate the issue as safety solving equals cat is an oxymoron in its nature within itself. It is a lie to say the Mayflower should have never sailed because the safety issues were overwhelming with no achievable options. The United States should not exist. Baker, all towns in Oregon should close their doors. Planning for and achieving a safe community to work -- commute to work on a daily basis is substantially a higher risk with more unanswerable scenarios for negating an accident than planning for and achieving reasonable safety surrounding in the industrial site. Examples of towns, city centers, and residents safely coexisting adjacent to industry or tank farms are submitted on record concerning the issues in this debate. If Kay Morgan and Arco facilities meet U.S. Safety standards, they should have no fear in accommodating any project of this nature. My understanding is that if they aren't meeting these safety guidelines, they are putting approximately one-quarter mile radius at risk. Are these facilities relics that are out of date with modern safety facilities that advertise their safety while jeopardizing the safety of the existing residents? Or are they can't and shouldn't just shallow deceit, misdirecting us from the very achievable options the Bureau of Planning, while representing the Working Waterfront Coalition's positions will not neutrally present to you tomorrow. They are going to package the safety issues, tell you in their entirety they're overwhelming, you can't, you shouldn't proceed in approving the planning commissioner's recommendation. Proving and finding any reason for cat has been their stats and their agenda throughout this process. I submit the agenda has been proven false, concerns answered, options addressed, every issue and safety issue proven achievable. The proof is there. We can and we should proceed. The philosophy of cat is an impossible argument. Please review the attached answers, options, and questions with them tomorrow of the they will not be bringing them up. Thank you.

Potter: Thank you. Please call the next.

Item 1107.

Potter: Thanks for being here this morning.

*****: Good morning.

Potter: Please state your name for the record. You have three minutes.

Stephen Conser: Stephen Conser from northeast Portland. I'd like to start by applauding the council for the decision not to move -- in the neighborhood of the Burnside Bridge. I think that was a wise decision. I think this is a good opportunity to consider alternate sites for a future official covered public market, and I wanted to make the suggestion to the council that there might be -- it

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might be good to pay an extended visit to the two sites in the northwest that have the most successful public markets, pike place in seattle and granville island in vancouver, b.c. I've paid two visits to granville island over the past year, and it's a very successful example, even in winter, there's -- the interesting thing about it is it's not just -- it started out as a public market, and has extended, grown over several blocks. It's attracted retail and cultural establishments in the area, such as there's a children's store, there's museums, there are theaters, and it would make sense for Portland to find a less restricted place than downtown which already has its issues of traffic congestion, to consider a site that would possibly be an extended tourist attraction. I was -- i've heard suggestions from other citizens about finding a place in the neighborhood of the east bank esplanade. I think that would make a lot of sense, considering the traffic issues that surround places like pike place and granville island, and would fit in with the plan of also siting streetcar on the east side. Not saying this is a simple issue, but I think it's worth looking into. I think this is something that is a larger issue, one that gets away from the attractions of the west side of the burnside bridge, and is also an opportunity to make -- to work in very effective use of the east bank esplanade and riverfront area on the east side. Thank you for your time.

Potter: Thank you.

Item 1108.

*****: Is mr. Blackford here? Thank you.

*****: Good morning, mr. Mayor, council.

Potter: Good morning. When you speak, please state your name for the record. You have three minutes.

James Blackford: My name is james blackford. If I may, i've -- I had unfortunately five accidents in the past 14 years. I come before you today to ask if you could find out and/or explain how the 2003 j rules in place changed so drastically in 2004 where the past judges' decisions order, my past medical report have become not relevant in the new j 2004. The only thing I was told is that the rules have changed and i've looked it up and it's the same rules. If I may, i'd like to leave a copy of the case with you and let you look at it and maybe you can explain it to me.

Potter: Please leave it with the city clerk.

Blackford: Thank you, mr. Mayor and councilmembers, for your time. Have a pleasant day.

Potter: Sir, this is the council clerk right here. If you leave it with her --

*****: [inaudible]

Potter: Oh, ok.

Item 1109.

Melanie Bloodgood: Melanie may. Dr. Melanie may, also known as dr. Melanie may bloodgood. I have lived in Portland since the fall of 1996. I moved here after living in oklahoma for five years and teaching at the oklahoma school of science and mathematics. In the course of the time that I was employed as an academic at ossm, I learned it was a c.i.a. Front, interagency, military, c.i.a. Front involved in treasonnist criminal terrorist operations, oil and gas deals, the oil for food, weapons, and terrorism program, the so-called chinagate, illegal sales and trade of nuclear and electronic weapons technology to a doctor in pakistan and into this whole network. The exxon mobil cartel was deeply involved, and intel, boeing douglas, and the whole top level of the power structure not only in oklahoma, but in Oregon. So when I moved to Oregon I did not get away from retaliation for being a whistle blower. And I have brought, I think it's a seven or eight-page document i've left with the clerk explaining more details. I have repeatedly -- I became a public whistle blower in oklahoma in late june of 1996, I was fired as a whistle blower by mid august of 1996. I moved out here and immediately saw the article on paul tatum from oklahoma, gone to school with me at o.s.u. Stillwater, been gunned down in the moscow subway with 40 backpack nukes missing and questions to the clinton administration. So I contacted the f.b.i. Here. I have been stonewalled, I have information that the American people should know, I have documents, I

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have tried to work with the attorney general, reno, ashcroft, gonzalez, robert jordan, on and on, I am being stonewalled. There is a major cover-up. I have documents showing admiral william j. Crowell was a director of this organization at quackenhut, and I see evidence, including a dead nephew, that red squad operations are going on with the help of the city council members, some of them in any case, and law enforcement in Oregon, and I want it to stop. And I want an investigation of the wrongdoing i'm talking about.

Potter: Did not respond. We'll move to the consent agenda. Do any of the commissioners wish to pull any items from the consent agenda? Does any member of this audience wish to pull anything -- any item from the consent agenda? Please call the vote.

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

Potter: Aye. [gavel pounded] move to the 19 -- 30 a.m. Time certain. Please read it, sue.

Item 1111.

Potter: I just want to introduce this resolution. It's my pleasure to introduce this resolution to honor and recognize two great Portland families who have played a pivotal role in the vitality of our city center and the strength of our community for over four generations. The resolution before us is to rename block 173 in Portland's downtown Meier and Frank Square. Block is bound by southwest fifth and sixth avenues, morrison, and alder, and is where the Meier and Frank department store has stood for almost 100 years. Prior to that the company had been locate along Portland's waterfront. Federated Department Stores now owns the building and will reopen it as Macy's at Meier and Frank square. We truly appreciate their partnership with the city in commemorating and celebrating the Meier and Frank families. The Meiers and Franks have a long tradition of civic pride and engagement in Portland's business community, the high regard the community holds for them can be seen by all the friends and supporters who have joined us here today, including former employees and other interested parties. Could we have all the family and friends please stand so we can see who you are? Could you please stand, all the Meier and Frank and friends? [applause] now i'll turn it over to mr. Jerry frank.

Jerry Frank: Mr. Mayor and honorable members of the Portland city council. We very much appreciate, and I speak for all the members of the Meier, Frank, and Hersch families, your support and interest in maintaining the name of Meier and Frank in this community. Little did Aaron Meier feel when he first started a little store on the riverfront in Portland in 1857 in competition with nine other stores with a population of a thousand people that his 10th store would grow into what is Meier and Frank today, and what has been one of America's leading department stores for 150 years. So we are very proud of the family tradition, and proud of the thousands of people, including Clark Gable, who worked at Meier and Frank over the years. Clark Gable sold neckties. And I know that many of you are familiar with members of the family and they have all stood, but I want to particularly recognize the grandson of a former governor of our state, Jim Meier is here. His grandfather was Julius L. Meier, who was Oregon's first and only independent governor. Jim? [applause] In the audience, Mr. Mayor and councilmen, we have the members of several generations, including the sixth generation of the Meier and Frank family in attendance here today. There are seven generations all together, but there are three members of the sixth generation here, and they are proud of the heritage of this store. You know, Meier and Frank is a little bit more than just a department store. Meier and Frank has been a major institution in the state. And I think if you talk with old-timers around Oregon, they will have many stories to tell about their association and their visits to Meier and Frank. And the store was really the heart beat and center of activity in our city. It was called the 100% block, because it was the most valuable piece of property in downtown Portland. The family has taken very seriously their obligation to continue to support the area not only the days of merchandising, but in civic activity also. Commissioner Leonard will remember my father, Aaron Frank's donation of the Jay Stevens disaster wagon to the city of Portland, which served as a model. My father also was responsible for bringing the Kaiser

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shipyards to Portland when it was very necessary to increase the employment here and brought over 100,000 employees and jobs to this area. The Meier family, as I have pointed out, has been a very prominent family in every way in community and political activities in the state, and the Hersch family, though not as well known, have been great supporters and great citizens of the area. We could regale you, my friends, with many stories about Meier and Frank, and this is hardly the place to do that. But there are several that sort of stand out in my mind, and I'm sure if the minds of many citizens of this area. And the height of the depression, Meier and Frank ran a full-page ad in Fred Stickle, the publisher of "the Oregonian," a full-page ad on the back page of "the Oregonian." this is when the banks were having a tough time in Portland and around the country. And this one ad said "confidence -- the next day hundreds of citizens of this community took their savings out of the banks and from underneath their mattresses and brought them to Meier and Frank for safekeeping. Because they had more confidence in that institution as a part, an integral part of this area." during World War II, for the entire period of the war, Meier and Frank did not advertise one single item of merchandise. Every newspaper ad, and there was a full page every day in both papers at that time, was directed to the war effort. Every of window in the store was devoted to some phase of the war effort. And Meier and Frank company sold more war bonds than any institution in America. These are just a few examples of what this institution has done and has meant to this community. So we feel that this renaming is a very significant part and hopefully will keep the tradition of a great merchandise institution. Now the store, having gone through a period of ownership by the may department stores, has been bought by Federated Department Stores. And Federated Department Stores is America's leading department store chain. They own -- Federated owns Macy's and Bloomingdale's and will have over 850 stores. The chief executive officer is a magnificent gentleman by the name of Terry Lundgren, who has shown personal interest in the keeping of the Meier and Frank name on the square, and is very supportive of our community and has been out here in Portland to show his interest and support for what's going on here. We are also very pleased to have with us today the gentleman who was a Portland resident for four years at Meier and Frank previously. He is now the president and chief operating officer of Macy's Northwest, and it's my privilege to present to you and introduce you a very fine gentleman, a good friend of mine, a great merchant and one I'm sure we can look to to keep many of the traditions of one of America's great stores.

RB Harrison : Thank you very much. For anyone who is involved in retailing, the stories that Jerry relates are so heartwarming and important to the tradition of department stores. I want to thank you, Jerry, and yourself, Mayor Potter, for the opportunity to come here to address the council. As a representative of all of Macy's Northwest, I am here to expound upon our profound support for the naming of Fifth and Morrison as Meier and Frank Square. We think the Portland community has been served beyond any reasonable expectation by the Meier and Frank families, and that this opportunity to commemorate and memorialize their service to the community is wholly warranted. I think one of the things we have always been anxious and very eager to participate in the Portland community is the incredible partnerships that have been developed between the community, the business, the government bodies, to really build a profound and dynamic and growing downtown corridor. Most recently the one that has really captured our attention and made possible this very project is the partnership between the Mayor's office, city council, and the Portland Development Commission led by Bruce Warner to redevelop the downtown Meier and Frank building into a fully modern department store as well as a hotel complex. This opportunity to rename the square Meier and Frank Square has given us another unique opportunity that we think is very important to commemorate the profound contribution to the Frank and the Meier families. We have the opportunity to rename it Macy's at Meier and Frank Square, and at this point I wanted to unveil the plaques that we propose to attach to the building pending your approval of the resolutions.

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Leonard: Wonderful.

Adams: That's great.

Harrison: The larger plaque is one of four that will be attached to each corner of the building. The smaller one all saying Macy's at Meier and Frank square, will be flanking each of the entrances. I hope you feel that the aesthetics and design are keeping with the historic nature of the building as we do. It is our expectation and intent to have no other signage on the building other than these plaques. Again, to commemorate their historic nature and the profound contribution of the families. Again, what I would like to do is thank the tremendous partnership that has been exhibited by the city, the Meier and Frank families, and the private developers in order to make this project possible. It is our wish that this will be a continuing dynamic edifice to the growth and popularity of the downtown area and truly continue to make pioneer square and the central downtown corridor the living room of Portland. So thank you very much. [applause]

Potter: Is there anybody else you wish to have speak to this issue?

Frank: No, thank you.

Potter: Thank you folks.

Adams: Thank you.

Potter: There was no sign-up sheet, was there?

Parsons: I did have a sign-up sheet. We have two people who would like to comment.

Teresa Teater: Good morning, Mayor, Council members. I'm Theresa Teater and Oregon city, downtown Portland shopper and advocate, etc. I've been a long time shopper for the 10 years I've lived in this state of every Meier and Frank outlet that I can get to. Previously when I had a car, Washington square out in Clackamas County where I live, and most -- quite a bit recently in downtown Portland due to being a grandma for 20 months now, and oh, my gosh, I can't get the stuff mailed to Nebraska fast enough from the Meier and Frank baby department. And I just wanted Meier and Frank to know what a blessing my grand children look like in their clothes, and they look so happy and everything. I bring the photos back and show the employee and buy another batch. I wanted to mention that earlier this year me being a Lewis and Clark fan, I had purchased a plate at an antique thing commemorating Lewis and Clark, and always read the back. And I was surprised to see that the plate was sponsored by Meier and Frank. It was a 100th anniversary commemorative plate. And I bought it because it has the banks of Oregon city pictured in it with Mt. Hood in the background, and the Willamette River, and so I wanted to let these folks here know that the Meier and Frank family was consciously aware of history, promoting probably free trade through the Willamette River to get products to their store. I also have an antique package of needles, sewing needles that were a promotion item from Meier and Frank in the old days that were given to women probably to repair their clothes, which probably wasn't a good idea, because if you rip them you can buy more clothes faster at Meier and Frank. So I just wanted to thank the Meier and Frank folks. And also I've been doing an undercover letter writing campaign to the confederated stores that bought Meier and Frank as far back as after the Christmas parade in downtown Portland, and it's my adamant goal to get the Macy's corporation to please sponsor the downtown Christmas parade every year, to pick up the tradition where Meier and Frank has supported downtown businesses at Christmastime by sponsoring this parade. Other businesses downtown have benefited from this. The families, the traditions, just -- it's just incredible, and the only response I've gotten was, I received a nice black Macy's purse, bag, and a letter saying, but haven't you seen miracle on 35th street? We can't not have the Macy's Christmas parade in New York. And I wrote back and said, but Disney World in Florida and California have two simultaneous Christmas parades, why can't we have the northeast version of the Christmas parade, the Macy's Christmas parade and the east coast? So could you please encourage that, mr. Potter? Thank you. [applause]

Potter: Please call the vote.

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Adams: Well, it's absolute pleasure for me to vote for this resolution, and I think it's incredibly fitting that we should be naming the square for the retailer that helped make Portland and put Portland on the map. I want to thank everyone involved with this. I also want to thank the folks at Macy's as well for taking on a project that started under Vera Katz with a different company. We know you've got lots of options in terms of where you can spend your money, and sticking with this partnership means a lot to us. I also wanted to take an opportunity to thank Lou and Russ who have been on this project for I think five years now, who have done a really good job as well. So I look forward to the reopening of Macy's at Meier and Frank Square. Look forward to the continued civic involvement of all the families associated with this great institution. You are an inspiration and thank you for everything. Aye.

Leonard: This is truly a pleasure, and as Jerry said, his dad Aaron Frank, who I -- if my memory serves, went by bud? Is that right? Friends and family knew him as bud -- had quite an affection for the fire bureau, and in particular had a very close relationship with Jay Stevens, the really in the fire service still very famous I'm sure mayor Potter remembers Jay Stevens, infamous city fire marshal. And donated the first disaster van, a precursor, if you will, of the command vehicles that we refer to them as today, but was the -- I'm sure you remember, the Jay Stevens disaster van. And we're very proud of that association. And Jerry's a little shy because he neglected to mention his own credentials with the fire service. Jerry is the only person in the history of the Salem fire department to be named honorary fire chief. And he is because not just because he likes and supports firefighters, he -- I am very well aware over my entire career of your mentoring of individual firefighters, his support of the Salem fire department, and they consider him one of their own. It's quite an honor. But consistent with the tradition of your family and the Frank family as well, and growing up in Portland of course that was before Lloyd Center, or Washington Square, and the one thing that united any kid in this city of any background was Christmas at Meier and Frank. And if you grew up here in the 1950's as I did, and you weren't down sitting on Santa Claus' lap at Meier and Frank and looking at the train, then where were you? Because that's where it was at. And so it's really a special treat for me to hear this today, and to be in this position to be able to vote for this. It's really commemorating part of the soul of our city. So thank you all very much for all you do and we are deeply indebted to your service. Aye.

Saltzman: Commissioner Leonard, where was I? I was waiting to meet you underneath the clock. [laughter]

Leonard: Touche. [laughter]

Saltzman: I think Meier and Frank is rich in my entire life's memory, and certainly when Macy's acquired the store and was made its intent known to change the name, I think all of us kind of shed a tear, sort of an epic of passing in time. But -- and I'm certainly delighted to be renaming the block Meier and Frank square in that regard. It's my -- Meier and Frank is to all of us has so many memories. One of them as commissioner Leonard said was certainly Santaland, but certainly the other one that sticks out in my mind, the two others, everybody used to meet under the clock at Meier and Frank, and I recall as a kid I used to enjoy just riding the escalators and going to the bookstore I think on the sixth floor was one of the things I really liked to do. And certainly the Georgian Room. So it's really -- I'm very heartened, and I also know Macy's has engendered the same sort of loyalty in the cities where it is among its citizens too, so I look forward to a very positive new chapter under Macy's leadership as well. And I just wanted to finally acknowledge Laura Meier and Roger Meier, who passed away a few months ago as sort of the deans of the Meier side of the family are here today as well. And thank this family for all they have done and the Hersch family and the Frank family to make this place, make this city and the state a great place, and I believe once again we'll be -- you'll be the 100% block when this is all said and done. I'm pleased to vote aye.

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Sten: It's a distinct pleasure and honor to vote, of course this block should be named Meier and Frank square, and I think I too was sad to see Meier and Frank sell, although I think getting Macy's in Portland is a great step for Portland, and it's heartening to see how the two institutions are now working together, and it's going to be very good, I think. I was worried we were going to lose that block, given all that's happened and things that have changed, and I think renaming it and having Macy's there is terrific. It's been said today pretty -- very eloquently by Mr. Frank and all of the council members, but it's really a lot more than a retail store. I probably knew every inch of the Lloyd center store, having grown up just a few blocks from there. I did work there one college holiday. I was hired to be -- to stand by the door because we were testing a new security system and when it went off, this is the Meier and Frank's approach to the world, tell people politely, I think there's been a mistake and ask them to come back in. If they ran I was instructed to let them go. Because that wasn't fitting my skills or Meier and Frank's approach to the situation. Luckily nobody ran, which also tells you something. In terms of that block that is now Meier and Frank square, as soon as the mayor bangs the gavel, my grandmother moved to Portland at an elderly age a few years ago and actually found a lot of fellowship in the Georgian room with the oasis club, so it's something that's a lot more than just about retail, so this is really I think Meier and Frank is really Portland at its best, and I hope that we can keep that -- not just that memory alive, but the tradition going with the new partnership with Macy. It's indeed a pleasure to vote aye.

Potter: Like everybody else, everybody has an experience at Meier and Frank. And for me, the one I remember, the fact that I took each of my four children there when they were old enough to understand and appreciate the value of Santa Claus, and that's where they first met their Santa Claus. And so that's one of my fondest memories. Also the fact that Meier and Frank has sort of been the heart and soul of our downtown. So I really -- when I got the call several months ago from Jerry Frank and he said, "this is what I'm envisioning about a Meier and Frank square," I thought, yeah, that makes sense. And fortunately we have a fine store, a Macy's Northwest, and Mr. R.B. Harrison and their president is here this morning that was not only willing to go along, but very supportive of the whole concept. And it's because of that legacy that Meier and Frank has left our community of service to the community, of civic engagement with the community, and a remarkable line of leaders that we are here today to honor Meier and Frank and to thank Macy's Northwest for their placing of these plaques around their building. So I'm very proud, I'm very pleased to vote yes for this, and we now have a Meier and Frank square. [gavel pounded]
[applause]

Potter: I'd like to thank all the Meier and Frank families for being here this morning, and all the friends of the Meier and Frank families. So you are more than welcome to leave now, because from this point forward it's just about business. [laughter]

Potter: We're going to hold off on the time certain. We'll move to the first regular agenda, item number 1130.

Item 1130.

Jeff Baer: Good morning, Mayor Potter, I'm Jeff Baer, director of the Bureau of Purchases. Before you is a fairly routine action requesting authorization to purchase the six diesel engine utility trucks for the Bureau of Maintenance in the amount of \$791 thousand -- \$796,170 to obtain international trucks and retain as a local dealership in Portland and we have folks here from city fleet in case there are questions about the particulars of the trucks themselves and with that I'll pause.

Potter: Questions? Do I hear a motion to accept the report?

Sten: So moved.

Saltzman: Second.

Potter: Please call the vote.

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

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Potter: Aye. [gavel pounded] thank you. We're going to skip over item 1131. We're going to try to hear that as close to 11:00 as possible so all the parties will have time to get here.

Saltzman: I think we can go ahead with the 10:30.

Potter: Could you read the 10:30 time certain.

Item 1112.

Saltzman: Members of the council, are any of these people here? Oh, ok. Why don't you come on up to the table. Have a seat. This won't be too painful. I'm pleased today to bring forward three new members of the urban forestry commission, and i'll let christine tell us a little bit about herself, but I will just say a little bit about the other two nominees who are not here today. That is brian krieg and brian has been active in the community, volunteering with Portland parks and recreation's neighborhood tree liaison program, and has a strong relationship -- I'm sorry. I'm reading the wrong person. Sorry about that. I stole some of kristine's thunder. Brian krieg brings a strong advertising and public relations background to the board. He has volunteered for many different civic committees, such as the permits protect campaign -- per miss project campaign of the building codes division, and is a board member of the trustees of the Oregon maritime museum. And he is interested in finding more visible approaches to educate the community on tree issues. Dianna shervey is a utility forester for Portland general electric, and she is aware of the many -- many of the conflicts that we're dealing with that arise between trees, infrastructure, and people. She brings a strong technical background to the commission. She is looking forward to the opportunity to work with the other commissioners to improve Portland's urban forestry. And then i'll let kristine karnezis, why don't you just tell us a little bit about your interests.

Kristine Karnezis: I'm fairly new to Oregon. I moved here just about a little over three years ago, and when I saw a piece in the paper about the neighborhood tree liaison program, I jumped at it. I thought that was exciting, because when I lived in the chicago area I took advantage of the arboretum's naturalist certificate program to study. My day job is an attorney, so that's a little different from being out in the natural world. But that's what I love. And I like that program a lot, and was impressed by the presentations that I have participated in, and saw the urban forestry commissioner and said, that's something i'd like to do. So when the opening came earlier this year, I applied for it. I think one of the reasons I moved here is because this is a beautiful city that clearly values the natural world, and that's so obvious in the downtown area with all the green space and the water, and the trees. And it's wonderful. And i'd like to participate in that and strengthen and in particular the neighborhood tree liaison program, which I'm familiar with. Thank you very much.

Adams: I have a favor to ask. I've been trying to get the urban forester to allow us to put in hearty palms in front of the hollywood theater, and just the other day I saw that we are putting in palm trees in old town chinatown, so I don't quite understand why they can go into old town chinatown, but I can't fulfill the hollywood theater's request for them to go in front of the hollywood theater. Would you be willing to help raise this issue and see what we can do about it?

Karnezis: I'll certainly raise the issue.

Adams: Thank you.

Leonard: You might just let them know it would be easier for them just to agree. I've learned.

Adams: I'm not going away. At least for 2½ more years. [laughter] thank you. Thanks for your willingness to serve.

*******:** You're welcome.

Saltzman: These are three very good applicants, and I urge council approval of their nominations.

Potter: Thank you for coming. Do I hear a motion to accept? Excuse me. I do need a motion to accept.

Leonard: Move acceptance.

Adams: Second. Poise please call the vote.

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Parsons: I did have a sign-up sheet, since it's a time certain. Steven edleson would like to comment.

*****: [inaudible]

Potter: Please call the vote.

Adams: Aye.

Leonard: Thank you for your service. Aye.

Saltzman: Aye.

Sten: Great choices. Aye.

Potter: Aye. [gavel pounded] thank you very much for serving. We're going to skip over 1131 and go to 1132.

Item 1132.

Potter: This is a second reading, vote only.

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

Potter: Aye. [gavel pounded] please read item 1133.

Item 1133.

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

*****: This was continued to today.

Adams: But it's a second reading.

*****: Oh, ok.

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

Potter: Aye. [gavel pounded] please read item 1134.

Item 1134.

Adams: It is my pleasure today to present a resolution that will provide our participants in the clean river rewards program, which is the new name for the storm water discount program, to also get services for helping get other benefits, including our link program, including the state and federal, all the state and federal entitlements that they might qualify for as low-income families, and to do this we've established a partnership with a number of organizations, including social venture partners, which is an international network of individuals who combine the power of business with the passion of philanthropy. They provide time, money, and expertise to strengthen innovative, nonprofit organizations and develop strategic solutions to community problems. Social venture partners is sponsoring cash Oregon, cash stand for creating assets, savings, and hope, to provide tax preparation assistance and financial literacy programs to low-income families and individuals. During the 2005 tax season, cash Oregon increased its free tax preparation services, and jim is going to talk about that in a minute. They also partner with the internal revenue service, again, to target assistance for filling out all the necessary paperwork and making sure that low-income folks are getting all of the benefits that they're entitled to from all levels of government. And cash Oregon, a partnership with them, makes it possible for one stop service center at lloyd center mall to complete not only their tax returns, but register for the clean river rewards program and apply for low-income assistance of all kinds. Lloyd center is an ideal location for a number of reasons, including it is on the fareless max system, and as it is accessible by tri-met buses as well. And part of the reason that we're able to have the one-stop center at the lloyd center is because of the very robust and generous partnership with the owners of lloyd center themselves. Up front I want to thank dean marriott, jim hagerman, brad blake from the revenue bureau, from social venture partners gene hart, bruce murray for their partnership with cash, aarp, i.r.s., maria in my office and the great jane aims from my staff as well. And least but not last, he's put his heart and soul into this, and that is dan. Thank you for all your work w that you're going to hear a little bit about cash Oregon from jim harper.

Jim Harper: Thank you, commissioner. Good morning, mr. Mayor, commissioners. My name is jim harper, I'm the executive director for cash Oregon. I'm excited about this continued partnership

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as commissioner Adams said that we did open up in the lloyd center last year in we sent out 6800 flyers for earned income tax credit information to subsidize water users that brad blake did that for us. Overall in the try counties we en-- the tricounties we increased the number of terms by 15%, the pretax preparations we did, and brought in \$5 million worth of earned income tax credit. But specifically let me just talk a little bit about the lloyd center, because that's where our major partnership will be. Last year in the tax season we ran that february 10-april 17. We were open on saturdays and sundays from 11:00 in the morning until 4:00 in the afternoon. This was our first time to do it. We had 758 returns that we did just on those two days. We brought in 278,000 worth of earned income tax credit to low-income working families, which averaged about \$1250 per family that we worked with. We had 17 tax preparers working on those two days. We had to turn away many, many people. We would -- we were a drop-in site, we'd open at 11:00, but we'd start taking names at 10:00, 10:30, and by 11:00 the sheet would be full, so people would have to go away and come back the next day or the next weekend. So with this partnership that we're talking about, it's pretty exciting. We're talking about running a site down there six or seven days a week, running it on the afternoons during the week into the evenings so we can pick up the working families as they come home from work after they've been home and come back. We'll have a facility we can work with the children, they can bring their children in, necessity can have a place to be while we're doing taxes. And what we're expecting to do in just meeting with the tax people and our site preparers going from 758 that we did last year to projecting something like 3 hundred -- 3500 this year by running it that many more hours. It that will be a huge increase to the folks we're working with, and it's very, very exciting. We have a full-time americorps volunteer starting this coming monday who will be helping us do that, and so with your support I just can't thank you enough for what we're going to do.

Adams: So the one-stop center combined with our marketing through the clean river rewards program, we're a great partnership to get the information out, but then to provide the technical assistance on a one-on-one basis, it's hopefully the city council will have an opportunity to stop by and see just how lively this one-stop is.

Harper: Exactly. And we will train our intake people on the clean water clean river reward and the links program, so that we'll have a chance to talk to all of the folks when they come in and point out some of the programs and some of the incentives that are there.

Potter: Where it is located at lloyd center?

Harper: It's at 2027 suite on the third floor by the food court, and it's been a great site for us. People come in there and they'll come in at 11:00 and sign up, and they may not be in the office until 4:00, but they'll go shopping and they'll have lunch and they'll watch them skate, so it's -- and the parking is free, and transportation is wonderful there.

Saltzman: I know three of us yesterday, four of us participated in Oregon health care action day, which was calling attention to the fact that among other things, many children are eligible for health insurance, but 50% of them are not enrolled in health insurance. Is this something that could be incorporated into the types of services you provide there? Helping people or having a state Oregon health plan worker located there to help enroll people that are potentially eligible for health insurance?

Harper: I certainly think that's -- we'd look at a one-stop approach, and as we said, our mission and objectives, I think that's the kind of thing we could reach out to and just start having a place for people can get that information when they're in need.

Saltzman: You so -- so you would be amenable to having somebody there?

Harper: Yes.

Saltzman: I'd definitely like to see that happen.

Harper: Maybe if you contact me, maybe we can work on that a little bit together.

Saltzman: Ok.

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Adams: Jim, thank you for all of your work in putting this together. Part of my original vision of using the storm water discount program now called the clean river rewards program to really leverage getting more money in the hands of Portland's low-income households when we put that out there as a vision, had no idea how we were going to make that vision become a reality, and thanks to you and cash and social venture partners and the good work at aarp, i.r.s., and b.e.s., we're going to be able to do a lot of good for a lot of low-income families in Portland. So I just want to thank you.

Harper: Thank you so much. I want to thank your staff for helping put this thing, they've been wonderful to work with.

Adams: They are good, aren't they?

*****: Thank you.

Adams: Thank you.

Potter: Anybody else? Do we have a sign-up sheet?

*****: No, I did not.

Potter: Please call the vote.

Adams: Aye.

Leonard: I do appreciate this work. This is really good, and some of us have worked very hard on this stuff, and it's great that sam has picked up the ball on this. Thank you. Aye.

Saltzman: This is a very exciting project, and bringing together not only clean river rewards, but access to the unearned income tax credit, and also as we just discussed, I think if we can bring in somebody that can help families enroll eligible children in the Oregon health plan, that will be a real bonus too. Aye.

Sten: This is terrific. We bring all these things together, it makes a lot of sense. It's a lot of money to families who need it, and I give an annual harangue that maybe we'll end soon about how the council needs to do more to get people to use the low-income discounts for water and sewer. It's not understand that you can get well over a third of your water and sewer bill reduced if you can't afford it. And I think that's been a policy move that we've made over the years to offset the tough increases in water and sewer bills that are unavoidable, but unpayable for some families. If you just look at the statistics, it's like the earned income tax credit, the number of families that are eligible aren't getting it. And we have no way of knowing how much our water and sewer payers make, because you don't have to tell us to get a water and sewer count, and you shouldn't have to. This is a great partnership and can really make a big difference. I'm really excited. Aye.

Potter: I'd like to thank commissioner Adams for his leadership, his staff, their great work on this program, I love two for one deal, and this is a great two for one deal. So I vote aye. [gavel pounded]

Adams: Like Meier and Frank, buy one sock, get the second sock free.

Potter: We're going to return to the item 1131. Please call it.

Item 1131.

Potter: This committee was one of the 20 original bureau improvement committees goals adopt by the council in june 2005. Its specific task was create a framework for the formation of labor and management committees in each of the city bureaus. The stated purpose of the labor committees was to improve service to the public, employee satisfaction, and increase productivity and efficiency. I think this signals a sea change in how we work together, labor and management, to make decisions and ensure that government is doing all it can to serve Portlanders. I think it really works towards advancing the goals of having a more diverse work force, excellent customer service, increased accountability, and breaking down silos to create greater collaboration amongst city bureaus. So with that, austin, could you please come forward with whoever your --

*****: We're all holding hands under the table.

*****: Let's just keep that to ourselves.

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Austin Raglione: I'm the deputy chief of staff for mayor Potter. Thank you very much for having us come before you today. What we're going to talk about is a culmination of about a year of really hard work that the city council, the city council staff, city management, and labor representatives have been involved in. When we were first charged last June by the city council to put together a committee of labor and management to create a framework for l.m.c.'s within all of our bureaus at the city, we had quite a challenge ahead of it. Before that happened, we -- three important things happened at the city. The first thing was that bureau of human resources and labor representatives sat down together and talked about how we are going to have a new relationship and a new partnership together. We had an all-day workshop that was facilitated by Joe Hertzberg. The second thing that happened, the city council agreed to host two workshops on health care with the labor representatives, and that was a huge step forward in working together with labor in address can our common concerns, particularly around health care. I think subsequent to that was really instrumental in all of our labor contracts up for negotiation that year being approved unanimously by the city council and an overwhelmingly supported by the membership of the labor unions. And then thirdly, I think played a key role in our ability to move forward was the work that James Hester did in organizing the labor community and putting together sort of a draft framework of how an l.m.c. would look at the city, which we used in our committee as the foundation from which we did our work. Our first meeting of the labor management committee team number six from the b.i.p. Project was held in January. We had five meetings, the meetings were facilitated by Joe Hertzberg, we had 38 people on our committee. We were going for the record, unfortunately team one, the visioning group, has 52 members on their committee, but we had 38, and we worked hard. And there were all five members of council represented there, as well as 19 city managers and 19 labor union representatives. And the work that you have before you, and actually I have some handouts, I forgot to give them to you, is the framework of the -- the guidelines for labor management committees here at the city. And the important thing to note in that document is it is a consensus document. Every single word in there is a consensus word, and believe me, there were times when we were holding hands and singing kumbaya and it wasn't always that easy, but ultimately we were respectful and we work the true our issues and came to agreement on that. I think some of the basic outline for l.m.c.'s at the city is that we want to recognize that every bureau is different. And therefore we didn't want to have a cookie cutter approach where every bureau is sort of forced into a mold that wasn't going to work for them. So while we wanted to have guidelines for the city, we didn't want to have something so prescriptive it wasn't going to work for individual bureaus. The other thing that's important is that all bureaus, this framework calls for all bureaus to have l.m.c.'s and all unions shall be represented within those l.m.c.'s. The third thing that's important is that we all treat each other as equals and with respect. There aren't -- there are to be no hierarchies within the organization. We're all working together as equals. And we have shared leadership responsibilities among us. The individual l.m.c.'s are not designed to deal with individual personnel and grievance issues, they're more as operational and policy oriented in terms of their approach. And in general, the l.m.c.'s make decisions by consensus, although individual bureaus have an opportunity to alter that if they wish. And then lastly, it is determined by our citywide l.m.c. That the time that is spent working on the l.m.c.'s is generally considered business time as opposed to union time. We -- I just passed out to you the framework, it also has a list of all the members that served on this committee, and gives you an update of where we are at the city with our individual l.m.c.'s. We have had very successful labor management committees in the bureau of development services, the fire bureau, and b.o.e.c., commissioner Sten and commissioner Leonard have provided huge leadership in that area, and we used those l.m.c.'s as role models for us as we put together this framework, and we appreciate your work already done on that. We have new l.m.c.'s forming in the water bureau, in the parks bureau, and in the revenue bureau. The office of neighborhood involvement, and pdot are currently in their formation stages, and the Portland police bureau is

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currently creating a new labor management committee for nonsworn personnel. We expect the labor management committee, the citywide group, to cost about \$9,000 a year. That's to help pay for facilitators and logistics. Individual bureaus will either come to you for additional costs or revenue to pay for them, or they will absorb that within their own budget. We would like to, as the citywide group, come back to you in the spring and give a report on the status of all the l.m.c.'s at the city. And any of the policy issues that we found that we needed to address during that process. We do expect all the l.m.c.'s within the city to be started or in the formation stages by this november. So we have a really fine group of people here today to talk about this, and I'm going to turn it over to James Hester from the DCU to talk about the process from his perspective.

James Hester: Mayor Potter and members of the Portland city council, my name is James Hester, I'm the council representative for local 189. And the president of the district council of trade unions, which represents 1800 city workers. On behalf of the city's public employee unions, which would include the PPSC, the firefighters, the PFA, COPPEA, DCU and AFSCME local 189 representing the 9-1-1 dispatchers I want to thank you for the opportunity to speak today concerning labor management work that we've been taking on in the past few months. I would like to testify today on the background importance labor management -- from a labor management perspective. The resolution before you today and the associated work commenced with the implementation of the city's bureau innovation project in 2005, however labor's work actually started a couple years before as the city unions began to meet and communicate with one another a little more readily about the priorities of the respective unions, but also more importantly how to improve services to the community. That was a priority for us all. This culminated in late 2005 as a city unions completed a citywide labor management model proposal that Austin alluded to in her presentation. One of the most discussed issues throughout this period of time leading up to the BIP. Project had been the diminishing relationship between the labor unions, management, and the bureaus, and also the city council. Of primary importance was we as public employee unions, what could we do to constructively reverse that trend that had kind of taken hold over a number of years. There needed to be a forum amongst us all which would include council, bureau management, and the unions, a forum that would be essential for ongoing dialogue between the public employee unions to meet the rapid and increasing demands of city services. As we all know, every day that demand grows and we needed to have that dialogue amongst one another, because there's no way that any of the parties involved in collective bargaining can determine what those demands are going to be during a negotiation and bargaining period of time. It was agreed that amongst the unions that one vehicle that we could use to assist in promoting those improved relationship was through labor management partnerships. And from a labor perspective, the primary purpose of any labor management committee was to provide a forum that reflected a positive working relationship between labor and management and fostered a respectful, productive, and shared decision-making model within city bureau operations. And for this to happen two things were -- there were two important points that needed to be addressed. First that labor had to recognize the unique role of management and their goals to improve efficiencies for cost control, to recognize stakeholders within the city operations, and even outside city operations, for instance the county, the state. And the importance of a good public image and improve services to the community. The second point was to communicate to council and bureau management the union's goals and what was important to us. And that was quality jobs, worker participation, and initiative, employment security, training, good working conditions, career opportunities and planning, protection from discrimination, and union growth and workers' rights. It was the opinion of the public employee unions of the city at that time, as it is today, if this common ground could be respectfully recognized by both labor and management, we could collaboratively work together to fulfill the mission of the city and provide improved services to the citizens of Portland. With that, I encourage a unanimous vote. I personally would like to thank Austin for her leadership, Terry Richardson, Ed Rutledge from H.R. and Chief from the fire

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bureau. My brother in the union movement, robert king, jack fenders, doug bloom, richard beetle from laborers, who's always been the guy who pokes me in the ribs and tells me to get going. And also the president of local 189, carol stalky, who is playing an important role in getting out there amongst our membership, given the facts we're practically in every bureau in the city. So her participation is imperative. With that, thank you.

Robert King: Robert king, I'm here for the police association today, but want to just share with you sort of the same sentiment that james just shared with you. I've learned in the last five or six years in doing this job that a couple of important things. You have to know what you want, and you have to be able to spot a good deal when you see it. You have to know what you want, and you've got to be able to spot a good deal when you see it. I've watched more people screw that up than I can tell you. [laughter] the reason I share that --

Leonard: That's great.

King: The reason I share that with you is because I think part of what you're seeing here food and what we've seen from you is that we all I think have a common goal, and that is to be unconditionally constructive. That's what we want. And it's through that tony think and that relationship that all these other things that we're talking about are possible. The example that I have in mind, there's three that are on a scale that I've got to tell you I'm grateful for. One is the contract settlement. For all of us not to have to struggle through the next two or three years of negotiations and whatever else would come from that, I think is really better for everybody, because we've got ourselves focused on really what's critically important, and that is get can work done for citizens. The other thing for us of course is this fpd&r reforms. I don't think any of us expect we would be sitting here and working on a problem that's a concern for all of us. It takes people to do that, and I -- vince is a captain at the police bureau who's really had his door open and been responsive. Ed ruttledge has been great. It's not frankly possible for me to say enough about him. He's just got his heart in the right place and he works hard. He's got a job to do for the city, but he works hard to meet you halfway, and that is more important to me than I can tell you. Austin has been super to have a relationship where you can pick up the phone and instead of be outraged or angry, or that you can just call up and talk to somebody that you know and that you have a relationship with and work through things is invaluable. So the one example that I have in mind is, we -- I think the typical or the traditional model is for us to have different positions and to struggle through some process to get a result. Where one of us wins and the other loses. And that was true with a grievance that we filed on an article of the contract, article 49, that had to do with health insurance coverage, and in talking with ed and vince and rosie, there was a question about whether, what was the interpretation, what was the contract history. Rather than let that ride its way to the end and go to an arbitrator, we resolved that short of that. It was a prearbitration settlement. And that discussion and that settlement only came through the relationship that we have together. And I think it's good for -- it's certainly good for us speaking just very selfishly, it's good for the 60 I -- city I think as well. Whether it's the contractor or fpd&r or something like a contract interpretation, having the right people in place with the relationship who are willing to be unconditionally constructive is what we all need to get things done, because frankly, anything else is a waste of our time. All of our time. Thank you.

Potter: Austin, are there others?

Raglione: There are four more.

Potter: Ok.

Zari Santner: Good morning mayor, members of the council. I'm very, very happy to be here to encourage you to adopt this framework plan for citywide l.m.c. In may of this year we restarted our l.m.c. After a year of suspension. And during which time I and lisa, the manager in charge of our work force and community alliances participated in the b.i.p. 6 process. Since I became director of the bureau, I had the sincere desire to develop a labor management committee within our bureau

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which is functional and collaborative. And that stemmed from the conversation that I had with my represented staff during my field visits, as well as during the time when they came to my office during my open door hours. And so about 2004 we started a labor management committee, and at that time although we have our represented staff represented by six bargaining units, at that time the challenges and critical issues that we were facing related to the majority of our staff which are represented by local labor or local 483. So when we formed the l.m.c., we limited that to representative from that bargaining unit and the management. And the l.m.c. Started in 2004, and was a very slow start. Partly because there were changes both in the union representatives, officials of the union representative and some of our senior management, and probably because we were not inclusive enough. We did not include all of the other representative, although the groups were small. So when the b.i.p. Process started, we suspended our l.m.c. and we participated in that process. And as I'm happy to say, four months ago we formed a new l.m.c., which includes representative from all of our union officials as well as seven staff from all groups, and we have four management, and we have hired a -- based on the framework of the citywide l.m.c., which is we found it extremely useful, we have hired a facilitator that's helping us to develop mission, goals, and one of the focus of this committee in the early stages is going to be labor management training, and then we will get into more meaty issues of whatever the committee comes up with. I just wanted to let you know that I found the process of development of this framework plan very, very helpful to me personally. During the process of that, I learned from those bureaus and committees, functioning committees that are very, very successful, bureau of development service and fire bureaus, and I learned from them about the ingredients of a good labor management committee, which are mutual trust, developing mutual trust, good communications, collaborative -- honest collaborations and problem-solving. So I am committed to that and I'm very happy to say that the groups that are right now participating in our l.m.c. Are committed to that, and they're committed to the success of our l.m.c. Thank you.

Richard Beetle: Mayor, council, my name is richard beetle, I am a business manager of labor local 483, and to us, my members and zhari is of course labor and management. But to the community they're both public employees. And they're both accountable to the same public. Both serve in a common cause to provide and continuously improve the services to the community. So it's not enough for us just to say we have an l.m.c. in order to check it off our to-do list. We must do a lot more. The l.m.c. has to capture and reflect management's agenda for the work, for the work force, and for the service improvement that best delivers what the public wants and needs from their park bureau. And likewise, the labor management committee has to capture and reflect labor's agenda for the work, for the workplace, and the service improvement. Now what we think you need from us as a park bureau labor management committee is to go beyond the usual reactive problem focused approach to a shared vision of parks continuous improvement needs. What we need from you is more than just endorsement and support, even though we value that. What we need from you is to engage you in dialogue at a regular scheduled enter -- intervals. Where we can be accountable to the council by being accountable to the council, we can also be accountable to the public on our accomplishments through our labor management efforts. We want to explore with you our thinking about what makes a labor management common purpose successful in the long term. We also want to be able to test our other assumptions with you, challenge each other's think can, have die lock what we're missing, if we are missing something, and as a result, form a strategy of success together collectively. And finally, what I'm asking the council to do is to inspire your bureau directors to participate in our ongoing shared vision and to work together as public employees. So we can build a better, more effective city service.

Potter: Thank you.

Paul Scarlett: Good morning, mayor, commissioners. My name is paul scarlett. Director of bureau development services. I fully support the adoption of today's resolution in front of you for

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b.i.p. 6, the citywide l.m.c. I've been a member of the committee in developing a framework and as from a management perspective, I believe and know from firsthand experience that l.m.c. can be a vital asset to an organization's success. In fact, I believe it can yield immeasurable positive results.

We've had at b.d.s. since july of 2003 an l.m.c. that's been effective and productive. Commissioner Leonard's one of his first charges to us was go forth and develop an l.m.c. that reflects and embodies the bureau's concerns, priorities, and goals. And it wasn't easy at first. We had to go through a long process of building trust, working out some anxieties, some concerns that had been long-standing, and one of the first charge of business we went forth in accomplishing was to develop the bureau's mission statement, goals, and values. By doing that, it reflected the bureau's overall significance not from just management perspective, but labor's as well. It was a joint effort to say these are things that we feel are important and these are things that we as a collaborative group believe in and will endorse. And that's significant, because as you know, the bureau of development services is involved with construction and review of those projects, and there's a huge impact on safety and livability to our community. So we've got to have people on board, and to do that we've worked together closely, we worked together earnestly, and we've got some good examples that can -- we can share. For example, we entered into an -- ultimately what I would call an innovative pilot project, wherein it took a whole year through discussions and working out the kinks to agree for inspection staff to work on veterans day and trade that holiday for the day after thanksgiving. Totally different. And it included technological staff to ensure that inspections could be called in including management to be available, include labor to be there to work together to provide a service that would benefit both management, labor, and our customers. I fully support this effort, and to the degree we have had the experience for the last three years, I can tell you we're not perfect, but we are a lot further along than we were prior to when we had l.m.c., because now we have mechanisms and assistance in place -- systems in place that includes both parties working collaboratively and earnestly together to reach solutions that benefits the entire bureau. Thank you.

Terry Richardson: My name is terry richardson. I work as a labor liaison for commissioner sam Adams. I was assigned to talk to you about commissioners' perspective, or the council's perspectives on the l.m.c.'s. I feel like I'm singing to the choir, but if you pass this resolution, you'll be part of the other governments like the federal level treasury department which has a long-standing l.m.c. Throughout the nation, it's been going on for about 20-some years. It's a good example of how government getting involved in l.m.c.'s actually works out well for the taxpayers. Here in Oregon we also have the d.m.v., part of their department is actually -- has an up and standing working l.m.c., and they have been finding that they find some real creative solutions to problems, customer service is one of their bigger issues, and we are trying time prove that through their l.m.c.'s right now. From the private industry side, at&t, qwest, intel, all those private companies which have been doing this for many years can provide information that customer satisfaction does improve with an l.m.c., and of course our whole goal is to deliver a good product, a good service to our citizens. And it would cost less as well because you have less strife, labor strife, people get along better, as was mentioned before by robert king, the fact we've worked together and we have this relationship going, very, very important for us to do that. So I encourage your vote on this resolution this morning. Thank you.

Potter: Thank you, folks, very much. Is that it austin?

*****: That's it.

Potter: Ok.

*****: No one has signed up.

Potter: Ok. Please call the vote.

Adams: I want to publicly acknowledge the great work of this group, and specifically terry richardson, my labor advocate on my staff, appreciate all the hard work that everybody put into it,

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the labor leaders in my area. Really appreciate not only your work on this, but together we've almost eliminated grievances in the bureaus, which is amazing how many we inherited, and I look forward to realizing all the potential this joint effort has. Thank you. Aye.

Leonard: Before I forget, I want to add to that to make sure I acknowledge terry richardson as well. He's not on my staff, but your name comes up a lot as a person who is working very well to make the relationship between management of the city and the unions better, and I want to acknowledge that. And you look great, too, by the way.

Adams: Are those new clothes, terry?

*******:** Yes, sir.

Adams: I've never seen him in anything other than a hawaiian shirt.

Leonard: None of us labor management, by its nature, fits done right, is hard. A test that I have of an effective labor management is if people are going into a room and coming out and telling me they love it, it's great, it's not working. Because by the nature of how this system is supposed to work, managers should feel like they're losing power, and the union folks should feel like they're being asked to take too much responsibility for the decisions that are being made. When people are coming out of the room and having that as a complaint, I know it's working. Paul is doing an outstanding job of that at the bureau of development services. At the 9-1-1 center we have high and we have lows, but it exists and it is a forum that everybody trust assist there to go in and try to work out problems. At the water bureau it has been fun to watch it begin from its infancy and begin to grow as that kind of -- those feelings that I'm describing start showing and we have a little experience watching this happen. We know it's working well. And we have an opportunity now that's in my history with the city is unprecedented. And I think only mayor Potter can appreciate this, but in the 1980's when I was first elected to the president of the firefighters, I worked with two guys by the name of sam gillespie from afscme, and stan peters from the police union. I was the quiet and reserved one. You could not get word in edgewise around those two guys. And on the council you had similarly a lot different personalities than exist now. We have at this moment, and I am very aware of it, the stars align, the moon align with the earth, and we have five people that want to see this work here. That's unprecedented in my experience. And we have the most highly talented group of people representing labor that I am aware of, present company included. In the history of the labor movement in the city, I have never seen the kind of forces come together as they are now. And I believe this is going to work. And I believe it's going to work because everybody understands these concepts I'm talking about. I think when you have a president of a union sit up here and say something as brilliant as one of the keys to success, is to recognize when you've won. It makes me smile not because it's funny, because that is so true and such a rare quality for people to understand. So I am beyond excited about this prospect. Because what I know happens is, when managers realize this isn't a tool that actually, as I said, they lose power in, it actually empowers them in different ways, smarter ways, much more effective ways, and permanent ways. That this system will make Portland be what I have really hoped for a long time it would be, a model for the country, and how this city runs. Because ultimately that's why we do labor management, is to have an efficient, well-run, progressive, smart work force. And none of us can get that done by ourselves. We have to have the people in the front lines feel like we trust them, empower them, and we listen to them. And this is how you do it. So I really appreciate all this work. It's -- this has been more fun for me on this subject than I think any other issue I've dealt with. Aye.

Saltzman: I'm pleased to support this effort, and to thank everybody on b.i.p. Committee number six for their hard work. And as richard beetle queried a second ago, you not only have my support for the framework, but you have my commitment to make this work in my bureaus as well. And I think that what's good about this really is that you recognize that not every bureau is the same, and there's an inherent flexibility that's embodied in this framework that I think will make it work, whereas maybe other efforts in the past have not really sort of taken off. And I've certainly been

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around eight years and I've seen labor management committees formed, and I've overseen their formation, but they've never quite achieved what they should be. So I'm hopeful now with this buy-in of management and labor the flexibility in this arrangement and the buy-in from us up here that we'll be opening a new chapter. And I'm pleased to be part of that new chapter. Aye.

Sten: I'm capable of winning a talk-off with commissioner Leonard. I think i'll be brief. I knew we could do in and I want to thank everybody for their hard work. I also know we can use this framework to get to the next level of better satisfaction, better job performance, and overall all the things the citizens need that our employees in this case the represented ones provide. So it's a great piece of work and I stand ready to implement the next step. Aye.

Potter: You know, this is a great first step. But it is a first step. For many of the bureaus in creating a labor management committee, I want to thank commissioner Sten and commissioner Leonard for being the models for l.m.c.'s, and so that we would have something to at least look at and begin the work. So this framework is really good because it allows the kind of flexibility I believe that each of the bureaus needs, but it makes it a requirement. And that was one of the things I saw when I came to this city, is that not every bureau had l.m.c.'s. So now we -- every bureau has that chance, it has more than 12 or more people, and I want them to succeed. The bureaus in my portfolio I wanton personally involved in helping them succeed, working with the unions to make it happen. I want to thank from my staff austin, once again, you've performed superbly and we really appreciate your willingness to take this task on to the union folks, I think it does herald a new day in many ways. This is about collaboration, this is about solving problems before they become adversarial. So I'm looking forward to the city as a whole, as commissioner Leonard said, being a national model for other cities to show that the basic job of either the union or management is to be adversarial isn't true. Is that we both -- the unions and management and this council work for the same people, our citizens. The better the service, the better we get along and we work together to achieve a common goal, the better it is for our citizens. So I want to thank all the managers who participated in this, I know that it's a new step for many of you, but I think in the long run our city is better served by it. So thank you all for your hard work. Truly appreciate it. And I'm very proud, I'm very pleased to vote aye. [gavel pounded] please read the next item.

Item 1135.

Potter: Please call the vote.

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

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

Item 1136.

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

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

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

Item 1137.

Potter: Commissioner Saltzman?

Saltzman: As I think all the council knows, we are -- have been in negotiations with a company to provide 100% renewable city government electrical load through 100% renewable resources, and while we're making progress we have dave tooze to describe very briefly that our need for more money to get to -- in terms of our team.

Dave Tooze: Thank you. Mayor Potter, commissioners, dave tooze with the office of sustainable development. The goal that staff has been working on is a 100% renewable energy product to serve all of our municipal facilities. We spend \$14-15 million a year on electricity, and this contract f. We're able to reach agreement, would represent about half of that, roughly \$7 million, \$7.5 million annually. It's quite significant because no other retail customer has done something like this. Some retail customers buy renewable power on a year-to-year basis. We're negotiating with some energy solution and their partners, p.p.m. energy and power x, for a 10-year power purchase agreement

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that's going to be -- bring a clean renewable product to us at a price that's very, very close to what we pay for electricity from Portland general and pacific power today. We're optimistic that we'll reach the finish line, but there still are some issues that we need to resolve, and the funding request that's before you today brings money to the table for our outside legal council, and then for a third party independent review of the financial aspects of the agreement once we get to a point where o.m.f. wants to have someone from the outside look at it and make sure that our internal reviews and assumptions have been correct.

Potter: Questions from the commissioners? Thank you. Is there a sign-up sheet?

*******:** There was, and we do not have anyone.

Potter: Ok. Please call the vote.

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

Potter: I'd like to thank commissioner Saltzman for his leadership on this issue, and the continuing great work of o.s.d. Aye. [gavel pounded] we're in recess until 2:00 p.m.

At 11:27 a.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.]

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Item 1138.

Potter: If there is anybody standing up that would like to be seated, there's room up above. [gavel pounded]

Potter: City council will come to order. Sue, please call the roll. [roll call] [gavel pounded]

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

Item 1138.

Potter: This is a continued hearing from July 12 of this year. At the end of the last hearing the council left the record open and asked the parties to try to work together. I understand the parties have met since the last hearing, and first we will hear from staff. Jeff, could you please come forward?

Saltzman: Mayor, I have to make some declarations.

Potter: Oh, I'm sorry. Before you begin, I do -- do any members of council have any ex parte contacts to declare?

Saltzman: I do. First of all I was not present at the first part of the hearing on I believe it was June -- July 12. I have reviewed the record and viewed the hearing, and I also wish to acknowledge I've had -- my staff and I have had ex parte contacts with multiple parties to this appeal, including the developer and the owners of the half block to the north. And I've had those meetings.

Leonard: I have as well. Goose Hollow foothills league representatives, Allegro representatives, and other property owners adjacent to the Allegro site.

Adams: And I too have to declare ex parte contacts, having met with both sides for an equal number of minutes on both sides over the course of the last two, three weeks.

Potter: I too have had ex parte contact, not myself, but a member of my staff has contacted both the developers and the neighborhood association in the last few days.

Sten: And I have continued to meet with both sides, I think it's the same list I declared at the first hearing. [gavel pounded]

Potter: Ok, Jeff. Your turn.

Jeff Joslin: Good afternoon, Jeff Joslin, Bureau of Development Services. I'm going to do a couple things, first I'd like to start by talking about the facilitation and mediation that occurred as a result of council's direction at the end of the July 12 hearing. Also introduce a memo I believe you all received that I issued to council yesterday. And take any questions regarding that. And lastly, be happy to answer any questions that have arisen for council in the interim. At the end of that July 12 hearing, there was a specific request on the part of council for me to facilitate ongoing discussion between the primary parties and this matter. If desirable, not necessary, work to move that facilitation towards a mediated discussion with the city to provide the mediator. There were three sessions I facilitated with those representatives from M. David Paul, the developer of the proposed development, other property owners on the adjoining properties within that block, Tri-Met, and the neighborhood association. As a result of those discussions, we ultimately determined as a group to

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move forward into a mediated discussion using judith mowery of resolutions northwest as the mediator for that. Judith is available today if you'd like to speak with her about other details pertaining to that mediation. That mediation again, as decided by those of us present, consisted exclusively of the property owners and david -- and m. David paul representatives, did not include the neighborhood association and city staff. Any questions about that aspect?

Potter: Questions?

Adams: I'd just like to hear from judith, what she thought of the substance.

Potter: We'll hear from judith immediately after --

Joslin: Sure. Again, she is here and available. I provided to you a memo dated august 21 that attempts to address the primary issues and themes I heard emerge from council discussion and questioning over the course of the last hearing. I hope i've hit most of those primary areas. I've also concluded with delineation of council's options for potential action today. I would like to draw attention to one element of the memo, which is a property to council to -- a prompt to council to regardless of the direction of the decision or ultimate action to -- there's an opportunity on the part of council to give both staff and design commission some direction on certain aspects of this central city master plan process, specifically there's one sort of looming area which is this question of how far is too far, is it sort of reasonable to consider the potential for transfers between disparate districts of the city, and under what circumstances. If there's a message you'd like to deliver to commission, we can either hear that through your deliberation and/or specifically include some characterization of that in the findings as well. I believe you received some draft findings from the representative for the applicant that have already started to go in that direction. They've actually provided to you findings -- well, interestingly in a way against aspects of the original proposal that specifically address two things, one findings pertaining to each of the sending sites as well as the receiving site, and specifically address the challenge of a positive finding from a more distant sending site.

Potter: I have a question about the memo. It's dated august 21?

*****: Correct.

Potter: It's a number of issues raised by council, but it doesn't really go to the discussion between the two parties.

*****: Three parties.

Potter: That's what we're interested in at this point. Could you walk us through that? And then we'll have judith give her --

Joslin: I can tell you what's occurred structurally, but again, it was not present at the mediation where much of that discussion occurred.

Potter: Why is that?

Joslin: That was the will of the group. As the facilitated portion of the discussion evolved, became clear that the primary matter at hand was really one of a potential real estate transaction as it were, or discussion between these respective property owners. It was their desire to have that as a discrete discussion. There was no exception to that, either on my part, tri-met's, or the neighborhood association. It was what was necessary in order to allow that discussion to move forward. It was essentially a condition on the part of some of those involved, and rather than simply halt the discussions at that point, we allowed it to take that form and go forward.

Potter: Why would they exclude the neighborhood? They're the appellant in this.

Joslin: Again, I think it was in the interest of having the most limited constructive conversation achievable between these two property owners to see if there wasn't a potential for collaboration consistent with some of the direction that seemed to be of interest to the council at the last hearing.

Potter: Actually, the city council and commissioner Sten is the one who asked to have the neighborhood association there. On the july 12 council meeting.

Joslin: I think it may be a question you want to pose both to the neighborhood association and --

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Potter: I'll do that.

*****: -- and judith as well.

Leonard: I think jeff has done an outstanding job here, and I don't think there's any fault to be found with jeff in what he's tried to do. I think the parties are both mature and would have had the capacity to invite the neighborhood had they so chose.

Potter: I thought that was the point of the getting together, was to --

Leonard: I don't think that was jeff's responsibility. I think that was -- the clear direction I was sending last session was to the parties to get together and find an agreement, and the parties in my mind included the neighborhoods, but certainly it wasn't incumbent upon in my view, jeff to do that. Would I have hoped the parties would have heard the message from us to them and would have figured that out. I agree with your concern, but i'm just saying I don't think it was jeff's responsibility.

Potter: Go ahead and continue, jeff.

Joslin: That's all I have right now. I'd be happy to answer any questions.

Leonard: And I think your point, jeff, about us providing some clarification is a good one. And again, I think you guys did just what we've asked -- what i've asked you to do. You've been very creative and look for solutions, and I want you to know I appreciate that.

*****: Thanks.

Potter: Thank you. Now we'll hear from the parties. I'm sorry, judith, could you come forward please?

Judith Mowry: Good afternoon n. Judith mowry, resolutions northwest.

Potter: Could you tell us your impressions of the meetings?

Mowry: Yes. When we met, jeff Joslin contacted me, I went to meet the parties, which included -- did include tri-met and jeff in the original meeting, as well as jerry and the developers and the property owners. And we tried to sift through --

Potter: Jerry --

Jerry Powell: Jerry powell. And so the first half of the day seemed to kind of figure out what all the issues were, how they were pinned together. The obvious piece of the dispute that was most conflictual at the moment was the conversations that were happening between the developer and the property owners, and we agreed as a group that what made sense was they needed to do some exploration of potential collaborations, clean some air, work on some trust building, and so everyone agreed that it made sense to do that first.

Leonard: I'm sorry, jerry powell was there?

Mowry: Yes. He was there in the original meeting and we all agreed to the structure of the mediations. And then so we all agreed that -- one of the concerns was that if there was going to be any exploration of any potential real estate transactions, that that would need to be confidential. That these were delicate conversations, people wanted the ability to explore options and to talk about whether or not -- essentially what we were looking for, was there a shared interest that was greater than the separate interests.

Leonard: So the three groups that you've identified including the neighborhood agreed to have -- to not have the neighborhood in some part of these discussions?

Mowry: Exactly.

Leonard: Thank you.

Mowry: So I met with the developers and the property owners, we met a total of four times. We had numerous phone conversations, everybody showed up, everybody participated fully in all of the conversations. I also want to point out I have written permission from all the parties to talk about the structure of the mediation, otherwise i'm prohibited by state law to do that. I had conversations with jerry powell as we went along to sort of continue to look at, is there another piece where we have to -- where we can look at the interpretation of the code, and see if there's anything there that's

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mediatable. We continued to come to the conclusion that was actually a distinct and honest difference of opinion in terms of how the code was interpreted. That that wasn't actually an issue for mediation. We continued to meet, the deadline came up, we made the progress we made, which did not include an agreement that removed the issue that is before you today.

Adams: What is your sense of the possibility of the two sides with more time agreeing coming to an agreement?

Mowry: Well, it's really for them to determine, because of course my job as a neutral is just to provide the avenue for them to participate in the conversation. I can say that I think all for -- all four of the folks involved appeared to me to be participating in goodwill and coming forward, and there was a lot of exploration of things, and I think it's a good question to ask them. If they feel future conversation would be helpful.

Leonard: I want to clarify something you said, that you had resolved the issue of the transfer of the far --

Mowry: We had not resolved. We recognize that that was not a mediatable issue, that --

Leonard: I thought I heard you say what was before us today was absent that issue.

Mowry: No. I'm sorry, that we were unable to resolve the issue that is before you today. I may have misspoken, excuse me.

Leonard: Thank you.

*****: The lights, they just make you nervous.

Potter: Further questions? Thank you, Judith.

*****: Thank you.

Potter: Now we'll hear from the parties. Will the applicant and the allegro representatives please come forward?

*****: May I clarify at this point? Is this the full presentation point for us, or is this just responding to the question of the mediation session that's we're referring to?

Potter: It's a recap from the last hearing where I ask you folks to get together and try to come up with some common ground. That's the purpose of this.

Paul Krueger: Appreciate that. My name is Paul Krueger, I represent Mr. David Paul Development the applicant for the Allegro. As Judith and Jeff had mentioned prior, that we did meet, we had some conversations to that effect. I think what's germane to this point, would additional time provide us the opportunity to come to some mutual resolution between both sides of the property to -- for that agreement. In characterizing it as honestly and openly as I can possibly can without breaking confidence was my neighbors to the north, I've spent a number of years attempting to fulfill the desires of the association for a full block, and have submitted offers and joint venture options. The actual mediation session, the conversations and dialogue that was exchanged was very reminiscent of early dialogue that we had with the property owners. Unfortunately, I don't think the nature or substantive dialogue that we had would give me the confidence to express to you today that in 45, 60, 90 days or whenever that period of time could extend itself that we could come to that agreement with having the knowledge that the proposal that we have before you, the Allegro, and its request within the central city master plan, could be resolved. When there's a fundamental issue I think at that point between the two parties, and I think it's preserving an interest on both sides that is germane to what we're trying to effectuate, and is also a concern for them as well. With that, I would say any grant of additional time associated for additional conversations in that regard I don't think may be as fruitful as we would like. We expressed originally that in absence of -- having a decision made by this council would be the most appropriate, and we both recognize the fact that a full block is desired, is why we had proposed originally to acquire property or to joint general which your originally, but having no response to any of our offers in the past has led us to this period of time. And I don't think that I've had any other dialogue that would give me any other indication at this point that that would be much different.

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Adams: So would you rather lose this vote than to continue the dialogue?

Krueger: No, I wouldn't want to lose this vote, quite honestly, and I would -- I come before you with great gratitude and respect for the process that we're here before. We'd spent the last four years quite honestly respecting that process, and trying to put that together, and I think what we have today is an appeal from an association that is, sure, we'd all love to have a full block for development, we'd all love to come together on that. I think there's viable opportunities for all of us to have our individual half blocks and develop them accordingly and responsibly. I don't think that's really the -- I think one of the fundamental issues we have before you. I wouldn't want that to be the basis of your decision to vote negatively toward the allegro project, simply just to bring the two parties together. I think that's in my sense, it obfuscates the issue at hand, which is addressing the central city master plan, and the application of what we have before you of whether or not the project itself has complied with those policy and rules that we sincerely have followed for the period of time in the last four years we have.

Potter: Do you have any new information you wish to present? You said when you first sat down, did you state your name for the record?

Krueger: I did. Paul kruger.

Potter: Ok. Did you have new information you wish to present?

Krueger: We have -- in terms of the project itself, we come today before you to advise or let you know that we sincerely have been listening and come with the spirit of collaboration. We have made a modification or proposal to you, and as we present it and we would like to say exclusively now that we've listened to the issue of the lloyd district transfer, which is a district outside district from the goose hollow, we are removing that density transfer of 50,000 square feet from the project so that the only issue we have in terms of the transfer of any appeal -- of any density, rather, is strictly from the goose hollow neighborhood within a two-block distance of the site to preserve open space on behalf of the tri-met property at 18th and morrison, and transferring that for housing to the allegro site. So we think we've come today with quite openly and honestly one of the best reasons for preserving open space in the city within the central city that's within two blocks within the same district, we've eliminated the district transfer, which seemed to be -- characterizes maybe some heartburn for not only the community at large, but also the discussions that were held here in the council chambers on july 12. We really want to make it clear the design we have today, the design we have to show you is simply taking that into account the plans, the model that's to my right, demonstrate our belief that we can still operate under the premises of providing quality, but yet making the district-to-district transfer eliminated. Not needed. So recognizing that, we submitted this information to you, we submit those documents appropriately to the auditor's office for that, and to seek your approval quite honestly, for our compliance with the central city master plan and its policy and guidelines that we sincerely have made every full-faith effort to meet. Which the design commission and staff have also agreed that we have met, so we're really just trying to uphold that direction and the guidelines that we have been following diligently to meet those needs of the city and fulfill your visions on this property.

Potter: Is this what you presented --

Krueger: This is the document -- that's the document that's we presented to your offices and also have dropped off copies for you here today.

Saltzman: The reduction of the lloyd district f.a.r. results in 50,000 square feet less?

Krueger: We have a density -- we initially applied for two density transfers, one was 50,000 square feet from the lloyd center, the other was 105,000 square feet from 18th and morrison within the goose hollow. We're eliminating the 50,000 square feet from lloyd district, and only keeping --

Saltzman: How does that manifest itself in the new design? Is it the lower east tower?

Krueger: Yes. The lower -- the tower on the -- the lower portion was originally 16 stories has been reduced to 14 stories to effectuate that. We have an additional f.a.r -- part of the transfer of the

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155 allows us to have a surplus of density on that. That has been eliminated, we don't have any surplus, it's strictly, i'm trying to get down to a bare bones project and still keep intact the integrity of the building. No other portions of the building are modified. The tower that faces on to 18th is unchanged, the street level activation, the retail is unchanged, the subterranean parking is unchanged, the green rooftop gardens on both on top now of the 14th floor and also on top of the first floor retail are unchanged. So what we've done is simply lower that portion to allow for increased visibility to our neighbors so they do have the opportunity as they had before to view, but now just a little bit more. And we're trying to be respectful and responsive to the concerns that were expressed, but not directed. We took it to heart, we recognized that as we have throughout this entire process. We have made every attempt to respond to design commission, to planning staff, and to the council chambers in listening not only to dialogue that was expressed by yourselves, but also the constituents you serve today.

Leonard: But the current proposal not with stopping, you're removing the lloyd district f.a.r. Includes the transfer of 105,000 square feet of f.a.r. From 18th and morrison to this site?

Krueger: That is correct.

Leonard: And if that -- and the impact of that f.a.r. Is to take you from 9-1 to what level?

Krueger: Takes from us 9-1 to 12-1.

Leonard: I think that's the issue.

Potter: Was the tri-met f.a.r. Transfer part of the discussion on july 12, or was this new?

Krueger: No, this is not new. This is all part of the record at that time, part of our original submission.

Potter: Ok.

Leonard: At the time you had the original hearing it was the lloyd center f.a.r -- you still have the tri-met f.a.r. of 105,000 square feet, which takes you from 9-1 f.a.r. to 12 --

Krueger: 105,000 would equate to approximately three f.a.r. transfer. So as i've met with other constituents that were opposed to us, they've expressed what this is is a reallocation. I strictly don't want to get into terminology and debates at this point because i'm not a legal expert, but I can say what we're doing is we're taking the density from the 18th and morrison loading platform for tri-met station across from p.g.e. Park, taking that density, shifting it over to the base density of the project site, which is a 6-1, effectuating it getting it to a 9-1, and adding the residential bonus on top, which is a 3-1 density bonus for residential achieving our 12-to-1 density.

Leonard: As I understand it, and correct me if i'm wrong, the -- I don't think there's a dispute amongst any of the parties on the 9-to-1. 6-to-1 by right, 3-to-1 for the bonus. I don't think anybody disputes that. Is that correct?

Krueger: I think that would be a fair statement. The appeal, as I currently understand, is simply the application --

Leonard: I'm not talking about the appeal. I'm trying to figure out what the issue is.

Krueger: I'm just -- i'm not trying to play terms here, but I think the issue is this transfer, this additional transfer coming from the other site, the 18th and morrison site. That is the issue as I understand.

Leonard: Exactly. So did you discussion that in the discussions you had with either the neighborhood association or the contiguous property owners?

Krueger: It was that item was discussed and positions were expressed at that point. That led us to the belief that it wasn't -- there wasn't room for movement there. And that's why in order to get any further, this issue needed to be resolved as our belief had been in basically following the plans.

Leonard: I did have more questions on that narrow questions -- that narrow subject, but it is of staff.

Potter: Did you ask the goose hollow foothills league to leave the discussion at some point?

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Krueger: We had -- as part of the early multiple periods of time we've met and discussed with all parties, the association, tri-met, ourselves, jeff joslin, and the two neighboring property owners, it became clear the position of the goose hollow association was reflected that any change above the 9-to-1 would not be tolerated, and that was their direction in seeking what their action is here before you. So from that perspective, we took it to the next step beyond that thinking, well, let's put that issue aside, now we can talk with our neighbors, two property owners to the north to verify whether or not there is room or movement within that to come to some common terms on that. And based on that discussion, what kept being the roadblock was the understanding and belief of the application of the central city master plan.

Leonard: They weren't the appellant.

Krueger: You're correct.

Leonard: The appellants you excluded, which I think is what you've heard the concern -- you've heard the concern articulated by the mayor and myself, just to be clear, my only defense was of jeff joslin and the staff, that it wasn't their exclusion to exclude -- your decision to exclude the neighborhood. I'm confused by that, given the clear message we sent.

Krueger: The thought process behind that, sir, was simply that our take on that situation was that this was getting into an area for real estate discussions. I thought the whole premise of trying to bring both parties together at that time was, you know, in some sense of the term a little odd at this point, given our past histories. I wasn't able to present that past history to any one of the council members prior to the direction that was given at the July 12 hearing about our attempts, shall we say, albeit unsuccessful, attempts to bring forth a full block. But getting to your point of excluding the association, I think it was very clear that there was a position there that was unflappable. And so given the opportunity we had between July 12 and today, we took the opportunity to see, well, if we could come to a mutual resolution, because it was a directive within the association during the last few months in the association meetings to see if there was room to have a full block proposal, regardless of how we want to characterize density, was there an ability to bring together a project with both parties, all parties together for a full block, and that was internally within the association one of their goals. So albeit we couldn't reach the 9-to-1 goal, could we reach the other goal, which was not expressed in an appeal, but was an express during the association meetings. So we did that in full faith to try to see if something of that nature could come together. The reason -- rationale behind not having the association in the meetings talking about real estate terms, that becomes what we believe is a private matter. The buying and selling, the sharing of perceived profits or losses or responsibilities and limitations and all that, those are fundamental portions of an operating agreement that we didn't think were germane to an association --

Leonard: I appreciate what you're saying, but I guess you missed the point of what we were trying to do last time, and that was to try to find a resolution between yourself and the appellant. And frankly could you have come to terms with the property owners to the north and come in here and we'd have gone "so what?"

Krueger: I agree.

Adams: What's the value of the f.a.r. transfer to your development?

Krueger: It provides us the ability to promote the quality of the building. That is germane to this whole effort and process. For the last 3½ years upon being selected by tri-met for this site and going full faith and forward in this, we've been analyzing the opportunity for increased density. Because what we realize is there is externalities with this site that are limitations. What we're providing with this project is to seek fully subterranean parking on this site. There's a huge cost. We have a 76-space parking requirement for replacement in the neighborhood that we need to meet that has a cost. We have toxic chemicals that were remediated but still are residues left that we still have to encounter when we go down and excavate that portion. We have to take care of that as well. We also have the infamous tanner creek, the 110-year-old pipe that runs directly underneath

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this property. It's 40 feet below the surface of the property. I know in certain papers estimates have been provided by others, maybe a little on the low side. I can say honestly I just even have a survey completed of that, it was over \$35,000 to have two men in suits go down and explore that. So the cost is very high to replace that pipe, and will do so. We also -- after negotiating an agreement with tri-met we also encountered an electrical issue with the transformers on the property that was never identified on any easements or maps. Those are other issues we have to do. All these externalities pose challenges for us in order to overcome these challenges, we need to provide the extra density to help recover some of that, but yet provide the quality that we started off originally. We start off on a very high note with this project, and I have a team that we've been very committed to achieving this density at this location because one thing, it's a light rail stop. If you can't put it on a light rail stop, where also in the city can you put it? From that perspective, that density is pretty much the project for the most part. If directed and saying, you know, let's send the allegro team back with a 9-to-1, the message i'm getting is great, we have to lessen the quality of the building, try to emulate the best we can with the site and the externalities and the costs associated with that, and still provide a financially viable project. It's a challenge, we think we've officially designed structurally the building and had that opportunity for the last three years to do so. It wasn't until the end that we put the skin and the colors and the textures and the flavors on the building, all the materials in choice, but it comes with a cost. And I don't think the neighborhoods in my mind and my years of development that I would like to see us cut corners on quality.

Leonard: I'm not understanding the argument, because basically what i'm hearing is, you have the means by which to go out and purchase unused f.a.r.'s. transfer them to the site. What's the point in having an f.a.r. at all if it's just a question of how many resources a particular developer has to build a building?

Krueger: I think the inherent portion that's very attractive to this city is the fact you have fundamentally a great vision in the planning. And I think that the f.a.r. is germane to having essential city -- a central city master plan, and a central city district. You've got urban growth boundaries that have been established to protect and serve the constituents. Not only just the downtown portion, but also to protect a single family residents that's are outlined within these districts. You have districts that have quality single family neighborhoods that you most viably need to protect. But in order to do so and provide that density, when you prescribe a zoning and putting a ring around the circle, and you say, x number of people should live with our housing units can be put in that circle, that central city, you have the flexibility to shift that density to appropriately serve the community. You have historic properties that are located in there, and when you put the plan, many of these properties were developed, some of them not necessarily to their full potential, but they're there, they've been developed. You have an exchange in the free market between property owners going back and forth, buying and selling property, holding property, investing in property, and investing in your community, and I think what happens is by having that ability to have transfer rights go across the board and allow for those, you have a unique case-by-case basis on which to approve a sending site, taking the density away, in this case from 18th and morrison, an open space area, a loading platform that's going to be underutilized in terms of classic verb call development and transferring that density to a location that can best use it. In this case the allegro side, which is in front of a max line, the kings cross station, which is a second lowest ridership location on tri-met's line. It's with the mac club and was probably there -- in general, we're trying to stimulate this area, which has been planned by the community, planned by the city for the -- been on the books for the last 15 years to be able to do so, so it's using the tools you have afforded to work from. Some of this happens without your knowledge. It transfers from one site across the street to another property and it doesn't take a city council action to get that acknowledgment from you. In this case, we're transferring it from noncontiguous property. Whether the format is going through the design commission, the hearing officer, a planning

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commission, regardless, you ultimately have a sense of appeal of what is right and what is not. And it's part of that process that we have here today that is a terrific planning process. This city is well served by the ability to have density transfers and to create that flexibility tool to allow for appropriately scaled projects. The massing on this building going beyond 9-to-1, is simply a factor in our minds of twofold. One is creating density on a light rail stop, and the other part is demanding the quality that is needed for Portland.

Adams: Can I ask a question? How much more money do you make with f.a.r. transfer? I don't want the -- if you can give me dollars and sense, that's great, but you've talked about the values to sort of the fit and finish of the building and the quality of the building and some of the challenges that guessing more massing of the profit -- is it limited to that or do we make more profit with the f.a.r. transfers?

Krueger: It's not a 1-to-1 profit scale, so I can't say forever square foot of density that I get I get an extra dollar or extra two dorse or anything of that nature. Honestly I was sit today as -- been through many real estate cycles and developments, there's absolutely no guarantee. Today at the treasuries are just under 5%, by the time i'm actually able to execute this, the treasures could jump up a full hundred basis points. Profit could be lost. I have no guarantee as to what may or may not occur in the marketplace, nor the level of execution that we intend to have, we'll hit the high mark, it's a matter of can the mark be achieved by the buyers of the -- .

Adams: Those are inherent in the industry, so if you could more specifically answer my question, does it give you more latitude by having more f.a.r., or having more building to build to mitigate against those potential down sides, is that what you're saying?

Krueger: That's what it is. It's exactly that. We're trying to mitigate the risk. And we think by the amount of adjustment that we're looking for with the additional f.a.r., that we'll be able to mitigate that risk and to bring this project to its fruition.

Potter: Further questions? Thank you. We'll now hear from the appellant, the goose hollow foothills league.

Powell: My name is jerry powell, I represent the goose hollow foothills league as its land use or planning chairman. Excuse the voice, i've been pretty hoarse here lately. We did agree, mr. Mayor, to absent ourselves from the negotiations between the developers for pretty much exactly the reasons you heard earlier. It looked to us as if what we -- our position in that was, we had basically a condition that we wanted to see met by the development. The developers cooperating together, the three property owners on that site could conceivably come up with the development or with a modified development that would satisfy that condition. To that end, it seemed to be the most appropriate thing to do to let them in their confidential mediation achieve some kind of trust relationship and see if they could just come to that agreement. I think they did progress with the trust agreement, or the trust relationship, at least that's what we heard out from the mediator. But my understanding is they did not come to an agreement that actually would leave us with the development at this point. We hope that they will continue talking together and maybe that will happen yet. Our contention is that it probably won't happen if council denies the appeal. The reasons for our appeal remain just as we feel compelling now as they were two months ago. The code prohibits a f.a.r. increase of more than 3-to-1, and in its own words, regardless of where that f.a.r. increase comes from, staff contend that you can do it by invoking the central city master plan, yet they didn't go through central city master plan process. I think there's some hope that by holding this council meeting as an evidentiary hearing you might be able to cure that. We'd contend that even so, the premises that staff has based its central city master plan presentation on are still flawed. For one thing, the definition of site on which this whole importation of floor area or development right, if you wish that term, depends on defining site as some distributed set of locations that are not necessarily related to each other. We contend there's no basis anywhere in title 33 or in any addition area that we can find to assume that site is anything more than a specific

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place. Not this place plus the place down the street, it's this place. I think the code does allow you to go across the street, but that -- but then you're still talking about something that's logically and geographically related. The second issue that we took up when we brought this appeal had to do with process. And I suggested that earlier in that the master plan process really wasn't followed. Code requires a type three review. The same code does not permit the design commission to hear anything other than design review and modifications through design review. Master plan process is not a modification through design review. It's not even a development standard that can be modified through an adjustment process. It's a use definition, or a use restriction. Again, according to title 33. Either way you cut that, we feel that the appeal must stand and these folks need to be allowed to go back to the drawing boards and come back to design commission, hopefully not here, with a development that works for the neighborhood, works for the developers, and for the city as a whole. Third thing that we contended was that the review criteria under the central city master plan that required conformance for the comprehensive plan in this case the central city development plan, was more than an arm's length relationship. For one thing, the f.a.r. requirements of the central city plan are fairly strong, and they're backed up with some fairly stringent findings. You would be -- you've been told that it doesn't matter where in the central city plan area that building density is piled up. We'd say that's not true. And in the process of developing the downtown plan and the central city plan that followed it, we looked at those relationships between properties in the central city downtown, and looked at the evidence of such development everywhere else in the country. When you have a central city plan, a zoning district that allows a kind and intensity of development that's more extreme or more packed in than the areas around it, there's a boundary effect that surrounds those zoning boundaries. The downtown plan attempts to -- the central city plan attempts to mitigate that by stepping down toward the edges to avoid the depression that happens around the edges of an area that is given more development right. Finally, certainly appreciate the developer, the allegro developer has pulled back from borrowing floor area from his site in the Lloyd center. It's certainly a step in the right direction. But we hadn't seen that plan. We still haven't really seen the results of that plan accepting what has been -- excepting what has been here in front of you folks. I do think that constitutes citizen involvement or public exposure of the plan, necessary for a true evaluation before the fact of the hearing conclusion. Have you any questions, sir?

Adams: I do. I'm trying to get a sense of how passionate the neighborhood is about these various issues. What was the vote, do you recall what the numbers on the vote were to appeal this?

Powell: I believe it was 6-to-1.

Adams: To appeal?

Powell: To appeal.

Adams: Thank you. Second question I have is, we have to use, because you know, we're dealing with code and we're dealing with trying to make fair decisions, this is an issue about bulk and height, among other things. And is that -- and whether it's an appropriate place here, you talked about the desire -- you reference some existing city policy of stepping down at the edges, and I had to make -- I made a vote last year or earlier this year that was the specifics of it were different, but the sort of concept of concerns were very similar, where corbett terwilliger and other west hills neighborhoods were very concerned about buildings blocking their view. It was the wrong sized buildings, and it's different in terms of f.a.r. Versus height, but it's the concept of you said impressions, which I think is a useful sort of word to translate between these two issues. I like to treat -- and I voted for south waterfront to move forward with the impressions building heights that -- and density of the number of tall buildings in that neighborhood over the objections of the neighborhood. Tell me how I say no to this design which you have the same sorts of concerns about conceptually, though in detail are different, how do I say no to this, and i'm transportation commissioner looking at trying to avoid trips, and density around light rail stations is about

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avoiding single occupancy vehicle trips, similar sort of things in south waterfront, how do I say no to this project but I said yes to south waterfront? What's the rationale? Give me some rationale how these are different?

Powell: There's adequate precedent, there's ample precedent in decisions of planning commission design commission, and council --

Adams: Common sense level, not legal precedence, how do I say yes to blocking views and creating all these impressioning for, you know, terwilliger corbett, but no to this project which has similar sort of concerns, different details? What's the rationale between the two?

Powell: Commissioner, I don't believe we've ever really enshined private views with any particular public right. Public views, yes. Private views, not particularly. I don't think that's the issue. I think the issue is the intensity of the development in a location that the comprehensive plan didn't permit it. In fact, very distinctly stepped it down. I don't know that that actually is the same case in the case of the south waterfront, because I have not studied it. What the conceptual design was for that area. So I can tell you about this case and not --

Adams: Fair enough. Thanks for trying. I have a question for linly in response to that as well. Linly, the concerns we've had a -- heard a number of times about the appropriateness of the process that was chosen in terms of the -- there have been a variety of concerns raised about the way this project got to us, and they've been cited as evidence not just by mr. Powell, but others as flawed process. Can you please speak to that so I can get your impressions?

Linly Rees: I will try. And I will also, if the parties wish to address it, you may want to ask them the same question. The process, staff has taken a position that the design commission has the ability to review it based on the delegation of authority to the design commission. I would disagree with mr. Powell's characterization that they only have the ability to review design review and modifications through design review. That's not what the code says. And I think you have the languages -- the precise language of the code in jeff joslins memo. I think the -- whether you agree with staff's interpretation or not, the larger point is that these were both -- this is a type three review, which means whether it was at the hearings officer level, whether it was the design commission, if it's appealed it comes to you. And when it comes to you on a de novo review, you have the opportunity to hear all the evidence that the lower body heard. So in terms of an appeal issue, i'm comfortable that the procedural issue is not of grave concern. I think in a policy perspective, you probably need to be giving direction if the way council reads the code is something different from the way staff has been reading the code in the two instances in which they've had a central city master plan. Does that answer your question?

Adams: It is, and just to the finer point on the issue of the master plan that this was supposed to be done the code prohibits 3-1 instances unless it's gone through a master plan process. Do you have any comments on that?

Rees: The code has specific prohibitions on transfers above 3-to-1. The interpretation adopted by staff in the elizabeth lawson case and again in this is that the specific provisions of the central city master plan, which allow for additional flexibility, take precedence over the more general provisions of the central city master plan. That is, we believe a supportable interpretation.

Adams: And you agree?

Rees: That is council's job to determine whether you agree with the interpretation. I believe it's a supportable interpretation.

Adams: Thanks.

Potter: Other questions? Thank you, mr. Powell.

*******:** Thank you, mr. Mayor, thank you, commissioners.

Potter: I'd like to call up the adjacent property owner.

Bill Reilly, Sr.: Bill riley sr., we're the owner of the property at the corner of 18th and taylor. And i'm very pleased to be here today and I presented a letter of august 21 and i'll paraphrase it for you

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briefly. I think you pretty much know my story. Our family has been involved in that corner for many years dating back to 1978. I'm a fellow pushing 75. I really want to do what's right by that block. I've been in the neighborhood a number of years, it means a lot to me. I want to do what's right by the neighborhood. We're in complete concert with the neighborhood. I think the letter states clearly that in the mediation we made giant steps. I was surprised at the characterization by the other side. Yes, it was awkward the first meeting, got a little less awkward the second, the third meeting we got friendly and the fourth meeting we're practically buddies. And I'll tell you that -- I've been doing deals all my life, and we were very close to a deal. I can't reveal the -- we got confidentiality, but I'll tell you that the only problem is that the council is a crucial part of the mediation. I would like you not to be distracted by 11th-hour things that happen. I would like you to focus on the appeal that's in front of you. If you agree with the appeal, the property that's being offered on our block results in an f.a.r. of 9-to-1. The major problems disappear. We don't have a situation where you're setting a dangerous precedent. That disappears. You create an atmosphere in our mediation where based on what happened in the fourth meeting I feel very strongly that we can go ahead and we will break our necks get can where you want us to go, and we I feel have a very good chance of getting a full block development. I ask you to listen to the neighborhood and make this a very simple case. There's a lot of verbose legal things that you'll hear, we've got boxes of information, but it all comes down to if we get 9-1, we're code, we can make a deal, you'll be in concert with the neighborhood. The problem in my view goes away. And I have great confidence, and I'll roll up my sleeves and work very hard to make that happen.

Potter: Any other statements?

Dan Petrusich: I'm dan petrusich, I'm the adjoining property owner as well. I echo what bill just said in terms of our commitment and ability to make a deal with the group that has the tri-met site, m. David paul. There's a couple things I'd like to also add. This is a first time we've seen this model and we saw some plans yesterday for the first time. But I just wanted to get something clarified on a couple things. I heard that the tri-met property, as I understand it, is 105,000 square feet. If you divide that by the site, which is 27,000 square feet, my calculator says that's 3.9. If you add that to the nine, it's an almost 13-to-1 building. I just wanted to make sure we're all talking about the same thing. So at 3.9 plus nine is 12.9. Ok. The other thing I discovered, there is no f.a.r. transfer agreement with tri-met. It doesn't exist. I did a public records request, and during that process I asked the representative of tri-met where the f.a.r. transfer agreement was, and because it didn't show up in the records request, and she pointed out to me that there was no f.a.r. Transfer agreement, that they'd simply appraised the property. And it's our belief that if you've got an application and you're doing a master plan like this, that you do have to have an agreement. It's -- or it's an incomplete application. I guess the other thing about the 9-to-1 building, I -- and transit ridership, for almost three years it was our understanding it was a 9-to-1 building and it was for-rent housing. That didn't change until January, and when it did, when it became a building greater than 9-to-1, that's when all the objections took place. I think we were always supportive of the original building. The 9-to-1 building which is in concert with the neighborhood and for-rent housing. I think when you talk about the tri-met goals for ridership, for-rent housing is probably more consistent with the ability to get more ridership versus luxury condominiums. I don't know what the statistics are on that, but I think anecdotally you'd think for-rent housing would provide more ridership. And I guess last I'd like to address commissioner Adams' question about south waterfront. Here's what I'd like to point out to you, commissioner Adams. The height and f.a.r. are two separate things.

Adams: I know.

*******:** I'm not trying to --

Adams: You shouldn't be presumptuous, but I do know this one.

Saltzman: He's the only one that doesn't get it.

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Petrusich: If mark was here he could tell you this. The south waterfront buildings are tall, but they're pointed towers. And the point is with respect to views, which was your question, that you still get good views with point towers because they're tall, but they're narrow. Now, this building, the premise for this building from day one is, jam as much f.a.r. Up -- and the only limit being the height limit, and that was the original design, was take it up to the height limit with as much f.a.r. As you can pack on the site. That's a big difference between what was going on at south waterfront. They were making -- they were basically taking the f.a.r. And making small floor plates and tall buildings. And you can do the same thing here with a 9-to-1 building and the height limit, you can make a point tower.

Adams: My point wasn't views, my -- i'm sorry if I wasn't clear. My point was following up on mr. Powell's useful observation about thinking of this in terms of impressions. We're going to have three to four deep very tall buildings in south waterfront, so if you have a home on the hill --

Leonard: Go ahead and take that.

Adams: If you have a home on the hill. [ringing]

Leonard: We'll wait.

Adams: Quit trial to -- trying to call me. If you have a home on the hill you're going to have a big impression of blockage of the views that you're used to. So I was just following up on that in terms of blockage here, blockage there. Of course the details and the specifics and the underlying goals are different, but I thought it was a useful sort of frame to have a discussion about, yes, one place, or no one place, or yes or no another place. I try to be consistent in my treatment and that what I impose upon each neighborhood around the city.

Petrusich: And I think would be -- to be consistent I think you need to support the appeal, because that's what happened at south waterfront. The height limits and the f.a.r.'s are working together, and honestly, it's not just view, it's light and air, and I own the buildings across the street to the north as well as the quarter block that I share with bill's quarter block, and it has a big impact on the amount of light that comes into the buildings I own to the north side.

Adams: Why haven't you come to an agreement with this property whatever, property -- not quite an owner yet?

Petrusich: Why haven't we come to an agreement?

Adams: To jointly develop. It's been years.

Petrusich: I think there are a lot of reasons for that. I would say we feel we've been responsive to any overtures they've made. We just haven't always agreed with them on the terms. I think the only time that we haven't respond was the summer when they made separate offers to each of us, and we'd already made it clear that to buy our property, we already made it clear we weren't sellers and that we were partners. So we didn't view an attempt to buy one party out and leave the other guy out was anything that we would entertain because of our partnership and our relationship.

Saltzman: Does that mean you're not interested in selling unless it's as a partner, or you're not --

Petrusich: We're not sellers of the land, but we're certainly willing and believe that we can make a deal where we're part of a bigger project.

Saltzman: Do you believe the time is right to redevelop that property within the next five years?

Petrusich: Absolutely.

Saltzman: Do you belief the same thing, mr. Riley?

*******:** Yes, indeed.

Potter: Further questions?

Jim Francesconi: Jim francesconi, an attorney representing dan and bill. With my partner who is here, mike neff, who can more ably answer any of the legal questions have you on this. A couple points. I also want to respond to a couple of commissioner Adams' points, but first, mayor -- and council, commissioner Leonard and Adams, who were both clear about the need for mediation, our desire going into this was to work through a mediated process that we knew the neighborhood

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would also approve, because as you heard here, there was going to be an appeal from the neighborhood, which meant we were trying to go into this to develop the whole block on 9-to-1. And we still believe, despite what you heard, and bill and dan did not share confidences even with me despite attorney-client privilege, but they feel that there's a deal to be reached. And are willing to continue to talk with them right away, with judith mower's help, with my help if they need it to put together this deal which would allow the whole block to be developed with the original building. Not this one we just saw really today. And when we were meeting with council members, the first one that showed us their diagram was yesterday, commissioner Adams. And i'm going to come back to that point. The main thing I want to make here is, we have confidence that we can have a deal that allows the allegro to be built on a full block at 9-to-1. In a way that's consistent with the neighborhood's desires. That's number one. Number two, on the issue of the f.a.r. transfers, when your transferring -- you're transferring 100% increase over the standard practice, and what we believe the law to be, you better get a public benefit out of it like they do in seattle and other places, and you better be very careful that the transfer of 100% increase in f.a.r. which apparently this proposal is, or 13%, doesn't throw out the land use code, which set it -- said it very specifically. So commissioner Adams on one of your points, two of your points right now, on the issue of south waterfront, this may be too legal, about you the council went through a whole process with south waterfront that included the neighborhoods. And everybody else, through a legislative process that resulted in a different zone code. There's language that allows south waterfront to be built bigger. That there isn't here. Is and they didn't show up with one of these point towers on south waterfront and a hearing in front of the city council saying, by the way, we want you to approve something that nobody else has seen. It went through a process that resulted in a code change. The third point I want to make, we have respect for the other side. I want to be clear about that. We also have disagreements including one of the answers that was given to you by m. David paul's representative on what's the value of the transfer. We have to remember the history here of this project. M. David paul in an unsolicited proposal to tri-met for this piece of property, albeit different economic tiles, came up with a dollar proposal for a 9-to-1 f.a.r. And they justified it for the same reasons they gave to you. We have to remember, this property was purchased for a dollar, and that's in the record. Because of the tanner creek overlay that's there, because of the problem with parking. Which has been valued at a million to a million two with a property values of 4 million to 5 million. We're talking about a 3.5 million dollar subsidy already. So before you talk about the transfer, so the answer they gave you, was the same reason they claim they needed this property for a dollar from tri-met. In f.a.r. transfers, they testified my recollection is in the record that Portland was behind the times in their f.a.r. Transfers compared to seattle and los angeles. So one of the things we gave you, mayor and commissioners, we analyzed seattle and los angeles that's in the record. Washington mutual just built a big building by trading f.a.r. In seattle. It's just one example. And they -- more density, though this isn't density by the way, because you're just moving density from one place to another. This has nothing to do with saving the urban growth boundary. Because you're just shifting density around. But in seattle, what you got, what the city of seattle got was \$5 million for low-income housing from the transfer of the f.a.r. from Washington mutual. So in seattle, it wasn't just the developers or the owners that benefitted, it was the city. And the public benefit was much greater. The other issue I covered is the last thing, this one I guess, I don't know, I don't want to change roles here, revert to old roles, but i've never in my experience seen something that -- it's almost like the case is over. They've come and changed a finding -- by the way, they haven't send us their findings, but in their finding they polled the f.a.r -- pulled the f.a.r. from the lloyd center, and the project they presented to the design commission is no longer there. So the design commission hasn't seen this. We haven't seen this. The mayor held this open for the mediation process. The mediator hasn't seen. This the neighborhood hasn't seen this. It's one thing to pull people together and say you're having a confidential real estate transaction, it's

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another thing to design their neighborhood -- they even have surrounding buildings -- without including the neighborhood and then coming in front of you and saying, approve this. We've taken care of this, approve this new design. The problem with that is, it sets a precedent. Two precedents that i'm not sure you council members want. On every f.a.r. transfer until the central city master plan it's going to be in front of you. The elizabeth was 9.7. This is 12-to-13. This is 100% increase. Every f.a.r. transfer, if you do it on a case-by-case basis is going to come in front of the council. We also gave you some legal research that shows that's the way Portland used to do it through something called c zoning. And it was thrown out through the master planning process. They wanted to do it neighborhood by neighborhood. So number one is, you're going to be doing every -- you had a host of developers in here at the first hearing. And they're going to be here on every transfer asking you to do this. But the second precedent I think it's even worse, is on every land use case, if it looks like they're going to lose, they're going to use time or delay, come in with a whole new proposal, present it to you and it hasn't been flew the hearings officer, which we think it should have been, it hasn't been through the design commission. They're going to ask you to conduct a de novo hearing. So for all those reasons, I still want to end -- there's a win-win situation. Win for the neighborhoods, win for the developers, and a win for the 70 by doing it on a 9-to-1 for the whole block. Finally, your staff has been terrific all the way through. There's been disagreements, but they've been handled professionally. I haven't seen many from this side. Have you great reasons to be proud.

Adams: I have a question.

Potter: Go ahead.

Adams: What's my impression is that you're so the of carrying costs are a lot less than the other carrying costs of the other side of negotiating table, what's an incentive for -- what's more of an incentive for you to come to be motivated to come to some sort of an agreement than they are?

Petrusich: I'd like to take that one. Carrying costs --

Adams: Whatever the right word is.

Petrusich: I'd like to talk about carrying costs. Assists they've got -- they've got a free option for a very valuable block that they've held for almost four years, three years. Typically when you option property you pay for that. But they got this option for free. So there's zero carrying costs on the land. Bill and I paid for our land, so we're the ones with the carrying costs. And the -- I guess they've invested some architects' fees, but that's kind of a typical thing when you're trying to make a proposal. And so I would just like to make it clear, bill and I are the ones that are carrying land that we actually paid for. There's zero carrying costs on the land.

Francesconi: I want to add to that. I have regard for gary redick, who is a personal friend of mine. You can -- if this can be worked out, and I have very great confidence it can, the money is not thrown away. You do it on a whole block. And then you talk about how you share the costs and the risks as part of the conversation.

Potter: Why is it that goose hollow appealed this but you didn't?

Petrusich: We are part of their appeal. The goose hollow neighborhood association filed the appeal, we're members of goose hollow, and we're -- there wasn't a need to have two appeals.

Potter: Further questions? Thank you.

*****: Thank you, mayor. Thank you, council members.

Potter: Is the tri-met representative here?

*****: Two for the price of one, mayor.

Potter: This is the day for that, I guess.

Jillian Detweiler: Good afternoon, i'm jillian detweiler, i'm a land development planner at tri-met, 710 northeast holladay street, Portland, 97232.

Dean Phillips: Dean phillips with davis wright tremaine, representing tri-met.

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Sten: I did have one question. I just guess i'm interested in tri-met's take, if i'm reading the history right, you made this deal with the proposal at 9-to-1. So --

Detweiler: We made a deal, our development agreement requires a minimum of 140 housing units. Frankly, we didn't contemplate someone would try and significantly exceed that. I think our message was, let's promote activity at a transit station, but we were -- our agreement is structured around assuring a minimum, my fear was i'd be here defending something that didn't really achieve what the central city master plan was trying to achieve in this location.

Potter: You sold them air rights?

Detweiler: We have not sold them air rights. I think mr. Petrocic characterized that fairly accurately. We have had our air rights at the p.g.e. Park station area valued, we have -- and our process is, you know, we need to get a market value for those. I provided that valuation to m. David paul. If the project is approved, our offer is there, and they would have a need for those development rights, and I expect we could enter an agreement. If the project is rejected, there's no need for us to do that paperwork.

Petrusich: One clarification I might add to that, and that is although there is not a written agreement today, the project and the concept of the developer moving forward&anticipates there be negotiations and the sale of those air rights. So that is part of the deal.

Leonard: On that point, that's a market I am unfamiliar with, selling air rights for the purpose of transferring the f.a.r. How long has that existed?

Detweiler: Well, the valuation that we had done relied on looking at comparable sealing of actual land, and also reviewing pro formas of recent projects to determine what the residual would be, what could be paid for land. There are not on the books that -- and -- an appraiser can look up sales of f.a.r. I've talked to mark about what they paid for the f.a.r. over the bulls eye building, and that's the one I know about there that I was able to kind of use as a check for what our experts said was the value of our f.a.r.

Potter: Is that something you were going to discuss with the neighborhood association before you did that, or were they not part of the discussion?

Detweiler: You mean before we entered the agreement?

Potter: Before this tentative agreement I assume it's a tentative agreement about the air rights.

Detweiler: Well, I guess I see the -- for me the issue is not the air rights, it's, is this a good building. And that the design commission forum and then this appeal is really where we're going to determine whether or not this is an appropriate building for this site in the goose hollow neighborhood. If you agree that it is, tri-met will try and facilitate the financial side of that with an agreement for the air rights. If you don't believe this is the appropriate building for this neighborhood, then the development rights on the p.g.e. Park site I guess will go unused until there's some change in the code, or some different situation.

Potter: So you are saying tri-met wouldn't -- would withdraw its offer?

Detweiler: I think that the developer, if the proposal is turned down, the developer won't act on our offer.

Saltzman: They're still available for purchase.

Detweiler: They're still available for purchase, but if you determine these transfers are not allowed under the code, there's nowhere for us to take our development rights.

Leonard: I am not familiar with this phenomenon.

Adams: I don't --

Sten: I don't think there's any argument imaginable that f.a.r. transfers are not allowable, period. They're in the code, they're allowable. The question is, does a particular transfer better meet the central city plan than the existing f.a.r. on that site. So I can't imagine any interpretation of this council's decision to be that f.a.r. transfers are not allowable.

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Leonard: But I think -- as I understand it, there needs to be some discussion to the extent that the transfers are allowed.

Sten: We're going to get to our discussion, but --

Leonard: I just don't want to send the message that they're allowed. As I understand it, they're very restrictive, but I don't understand that they are contemplated or necessarily accepted to be as in this instance. I'm not even talk about the lloyd district transfer, but just from your 18th and morrison property to this one. If i'm wrong, help me through that.

Detweiler: I'm not -- what I understand is, it is common and not a question that you can transfer f.a.r. among adjacent properties.

Leonard: Contiguous properties. These are not contiguous properties. So --

Detweiler: Right. And tri-met, the p.g.e. Park site does not have a contiguous property that could receive this additional development potential, therefore the potential would go unrealized. We thought a transfer to a nearby station two blocks away that has very low ridership and very little pedestrian activity might be an appropriate place to transfer that development potential.

Leonard: That's a new concept. Is it not?

*******:** I certainly --

Leonard: Rather selling them to, some transferring them to somebody else to build on a site that's not --

Detweiler: My introduction to this was it was raised in the first preapplication conference for this project, 2½ years ago the developers asked about it. Jeff was -- has a certain understanding of -- that the central city master plan process does provide an avenue for consideration of that. So that came out in the preapplication years ago. Before then, you know, wasn't something I was aware of. But was kind of proceeded with tri-met's exploration and evaluation of our rights with the understanding that the city was saying, yeah, there's an appropriate avenue for this to be considered, and so we wanted to be prepared to do our part.

Sten: My sense is that one of the things that has to come out of this hearing is some direction from the council on how we'd like the rules to be interpreted, and I think that's going to need after this case, I think some more work, to be honest, and just to be -- i'm not sure tri-met is the right agency to interpret what's allowable and what's not under f.a.r.

Detweiler: I might agree with you there.

Sten: I for one, i'll share my views when we get to the end of the hearing, but I for one believe that it doesn't have to be contiguous, but it has to have a net benefit to the neighborhood. That's my common sense test of when it should be allowed. It needs pretty rigorous proof that's its better than what the code outright allows. If you say it has to be contiguous, your into a pretty tight definition. There's a long way between contiguous and king blvd in other words.

Leonard: Absolutely.

Potter: My question kind of comes back to the --

Leonard: Our attorneys --

Rees: I want to make sure I understood your question. If your question is whether f.a.r. transfers in the city, I'm not talking about the central city master plan. But we have other numerous transfer provisions.

Leonard: Right.

Rees: A numbe of those provisions don't relate to contiguous sites at all. You can transfers for s.r.o.'s or for from residential from anywhere in the central city. So I wasn't sure if that's what you were getting at.

Leonard: I'm speaking to specifically to this kind of development in the central city.

Potter: I thought that the record the last time it was indicated that when trimet developed the light rail through there they had an agreement with the neighborhood that they would come back to them and discuss with them any changes in terms of development in that area. Is that right or wrong?

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Detweiler: That is correct. During the Westside project we had a very active stationary development program. We had several staff working in the goose hollow neighborhood. That program was closed out when the west side program was closed out. But don't disagree that the amount attention and staffing that was provided at that time created an expectation for what trimet could do in the future. So now today, we don't have that program. This project started with a colleague of mine. She contacted jerry powell, when the proposal was made. The neighborhood has been aware of it. The addition of the f.a.r., you know, did come at the end of last year. The neighborhood was informed of that about the time of the d.a.r., which is a voluntary process. I mean, I think that the neighborhood has had additional opportunities to weigh in than what the -- a very narrow use of the design review process would allow. I mean, there was this additional f.a.r. But I think they would have liked to have had even more opportunities. I have not heard too many direct complaints about the building. I have heard some very positive things about the building. I was very encouraged by the design commission's comments about the building. What I guess i've been most impressed with is a disagreement with the reading of the code. And that's really not something I can resolve or that our developer can resolve.

Potter: When you agreed to at least tentatively agreed to sell your f.r.a., did you discuss that specific thing with the neighborhoods?

Detweiler: No.

Potter: Were you aware of their concerned about the f.r.a. -- f.a.r.?

Detweiler: F.a.r.? I'm not sure at that time that I was aware. Because I think the overall impression of the building had been positive. And, frankly, I was looking at it holistically. And I think others were as well, you know, is this a good building? When I walk by a building in downtown Portland, I don't know how many f.a.r. is in it. You know, I know what my experience is at the ground floor.

And I had a very positive impression of this building. I was hearing positive feedback about the building. And that was prior to sort of recognition that the f.a.r. was a big deal.

Adams: I wanted -- we have heard some discussion here about public benefit with transfers of f.a.r.'s and how some other communities might value an inherit benefit in allowing a transfer to happen in addition to what might take place on the development itself. Just for the record, could you summarize for us what you think the benefits are to this f.a.r.? Just so we're clear.

Detweiler: I'm not sure I can give you a complete list. But the first would be the preservation of open space at the p.g.e. Park site. The second would be really the quality of the allegro building. Tri-met was very pleased to see the illusion of that building to include the underground parking. And what's important about that is the additional street presence that it gives. You don't have this blank space in the second, third, fourth and fifth stories of a building. You know, if you were doing the above-ground parking approach. So we think that additional activity and eyes on the street are really important, and that the additional f.a.r. is a way to achieve that. You know, I continue to believe central city housing at all incomes is good for this city. And more of it directly on transit, particularly one that's underutilized is even better.

Phillips: The only thing I would add to that, commissioner, is that it achieves one of tri-met's primary goals as well. And that is it's taking an underutilized space and allowing more transit density in a location that is within a reasonable distance of the transferred space.

Adams: And there's some conversation earlier from an earlier testifier that condos don't produce the ridership that rental does. I don't know that issue. Do either one of you know that issue?

Detweiler: I think there's evidence out there that lower income households may be more likely to be transit dependent. We get some dispositional ridership there. But I think the difference between a market rate apartment in -- you know, that's priced at the top end of the market and a condo might -- would probably be negligible.

Leonard: That begs the question I have been dying to ask. Didn't think it was necessarily appropriate to ask but since you have raised the subject --

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Detweiler: Oh-oh.

Leonard: Why didn't you, when you were in the position that you were to of selling the property for \$1 and having these additional f.a.r. -- f.a.r.'s available from your other property -- ask for affordable housing in this development? As a condition. Given what you just said, that that you do know is one of your target groups for ridership.

Detweiler: Well, first of all, we accepted the -- we received unsolicited proposal from m david paul. We advertised that we received that proposal. We received two additional proposals. One actually was for affordable housing and it was a five -- story building. We considered that not to, you know, do enough to -- it's not enough development on a site with this kind of zoning.

Leonard: In this project -- just say --

Detweiler: We have not -- so at that time, at the time that we made the deal with m david paul, they weren't asking for the additional f.a.r. from us. They were going to go try and acquire it from other locations. And actually, was fairly late that they said, oh, well, tri-met has this f.a.r.

Leonard: I guess afraid of that, we do deals as a city all the time where we sell property, p.d.c. Does, at what would appear for bargain sale price but there are some strings attached. This many units for low-income folks in a mixed use building. I'm injures curious if you didn't think about it you just didn't think about it. Because I mean --

Detweiler: We are doing quite a bit about affordable housing. Two other projects we have done in goose hollow were affordable housing. One was affordable condominium project. The other was a tax credit project at Collins circle. We gave away the land right there at p.g.e. Park to p.d.c. which then developed you affordable housing on that site. We have affordable housing requirement on a site on interstate avenue. We are doing affordable housing at our merlo property in beaverton. We are very aware of affordable housing. The kind of subsidy that's required to do a subsidy in a high-rise building exceeds the value our land and the value of our f.a.r. There's currently no property tax abatement for that this is not in an urban renewal district. So this is sort of with hindsight. I can't say that we were as, you know, prescient about the affordable housing issues. Maybe we should have been but looking to me at the resources that are available, if we threw in the f.a.r. for free, I don't think that gets you affordable housing in a high-rise building.

Potter: Other questions? Thank you, folks.

Adams: Thanks.

Detweiler: Very welcome.

Potter: Is there a signup?

Parsons: We have 21 signed up.

Adams: May I ask a clarifying question that might forestall some testimony?

Sten: I'm curious why we are taking testimony.

Potter: Because we left it open. I am going to restrict the testimony to new evidence. If the 21 people coming up here are going to rehash what happened at our july 12, I will rule you out of order. It has to only with new evidence. And so with that -- is there further discussion on this issue?

Adams: A clarifying question regarding precedence. Since we are in sort of new territory, aspects of the f.a.r. transfer have been done before but aspects of this f.a.r. transfer are sort of new territory. Does acting on this project in any particular way, voting to allow the project to proceed as proposed, voting not to allow the project not to proceed as proposed, does that set a legal precedent?

Rees: It depends on whether -- well, the answer is going to be practically speaking, not even from a legal perspective, yes, because what you decide on this is what the design commission and juror staff the way they will interpret it when an applicant comes to them. So clearly from a practical standpoint it will set a president on how future applications are dealt with.

Adams: But we could say we are making a decision that does not set precedence? [laughter]

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Saltzman: You could say that but they may not believe you.

Adams: The reason I ask is, either way, we are going to make a decision. And we are make -- if one of the reasons we are making a decision one way or another is because we don't have policy in place, we can make that clear to go out and develop policy. Correct? And that helps ameliorate any sort of precedent setting that might be an interpretation from our decision on this particular process.

Rees: As the council you have the ability to legislatively change language. If you find some of the language ambiguous, you interpret it one day way today, and you would prefer to be interpreting a different way or set a different policy direction, certainly you have the ability to bring a legislative proposal forward and change it. If you don't make legislative changes your interpretation one way or the other legally may have some presidential effect, saying if this decision is appealed up higher it certainly could have the potential to limit this particular group of five's interpretive abilities in the future unless you change it.

Adams: And then the other clarifying question I had, perhaps for staff, in terms of f.a.r. transfers that have occurred, sort of just to follow up on commissioner Leonard's question, how often do they happen? Only one or like this has happened but in terms of sort of the run of the mill f.a.r. Transfers in the central Portland, how often do this that happen? And how -- who approves them? Yes. They don't come to us so who approves them?

Jeff Joslin: Jeff joslin. Bureau of development services. The other transfer mechanisms that have been made use of to date are allowed by right. There are specific performance requirements for them in the code. And there are typically bundled, we are aware of them at the time. We're reviewing and approving a project. Following the approval of a project, ultimately, a covenant needs to be manifested and that covenant is reviewed by and signed by the city attorney prior to taking effect. And that's the ultimate legal memorialization of those transfers.

Saltzman: Are you referring to f.a.r. bonuses? When you say allowed by right.

Joslin: I am talking about transfers between properties. So, for example, some of the other transfers you have heard about between adjacent sites with right of way between them those typically happen between different ownerships. And they are simply allowed to occur by right. Those multiple ownerships can be construed as a site and transfers can happen freely between them. But --

Adams: Unlimited? Unlimited?

Joslin: Correct. It would still be subject to other rules and regulations. So presumably we are talking about the central city specifically where most of these sites would be going through design review. Meet those applicable approval criteria as well.

Saltzman: Since you are up here I had a question. If the allegro were to be approved at 12 to one f.a.r., does that limit it in any way the f.a.r., that could be done on the northern block? If they can acquire f.a.r. from one of their contiguous properties, can they also do 12 to one if we uphold this precedent?

Joslin: Conceivably, yes.

Saltzman: So allowing one half 12 to one doesn't prevent the other necessarily for being anything in the f.a.r. spectrum?

Joslin: Assuming they meet those other --

Saltzman: Subject to the height limit.

Joslin: For example, using this case, and some of the other efforts that we just heard about, to seek acknowledge arrangement with other adjacent sites or sites across the street by this site, had they done that, they could have potentially executed that transfer without the central city master plan review. They would have still again been subject to the design review requirements and design criteria.

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Saltzman: I suppose it's conceivable, design review could look at the first building and then conclude that an adjacent building or buildings at the same f.a.r. would not be good design?

Joslin: Right.

Potter: What is the phrasing in the ordinance or statute about the f.a.r. in regards to community benefit?

Joslin: I am looking to see if I have that language before me. In this setting when we are talking about community benefit, we are really talking about an extension of the applicable approval criteria for the central city master plan review. That which primarily pertains to that aspect is approval criteria, I think I would have this memorized by now 33510255-e1 which is the proposed plan as consistent with the policy objectives of the central city plan. I think we all understand now having gone through this discussion on this project that of that and the other approval criteria should properly be applied to both the sending and the receiving side that we need to sort of looking at a balancing and meeting of the policy objectives for both those sites. I've stated in my most recent memo to you there probably was a deficient see in our early report that we have learned from. But I think that's where that notion of public benefit comes into play is the proper application of that criteria and that type of analysis.

Potter: So, in effect, the public benefit is defined by what we want it to be?

Joslin: Correct.

Potter: Maybe that's your answer.

Adams: So if noncontiguous f.a.r. transfers have to be approved by the city council, true or false?

Joslin: If they're -- if they're achieving that through the central city master plan. For example, there are other types of transfers achievable, either housing preservation-based or transfers from landmarks to use two examples that do not necessarily -- that do not have a specific review tied to them. Those other types of transfers that are allowed by right.

Adams: And then --

Saltzman: Noncontiguous? Terms of a landmark?

Joslin: Correct.

Adams: So contiguous property f.a.r. property transfers can happen, I think you just said -- I am trying to summarize this and sort it out a little bit to make sense of it for me. Contiguous f.a.r. -- configure transfers can happen without council review, unlimited. Except inherently unlimited they are limited by other appropriations of our development code. Correct? True or false?

Joslin: Mostly true.

Adams: Mostly true.

Rees: I guess I don't understand what limit, when you say unlimited, what you mean.

Adams: I'm trying to figure out who reviews what kind of f.a.r. transfers, what body reviews what kind of f.a.r. transfers and if we set a precedence today with the decision we might make on this, are we sort of -- as an unintended consequence sort of creating kind of an unregulated wild west transfer, the market, is it a particular case now, where it becomes sort of an unregulated wild west f.a.r. transfer. Are we blowing apart our policies that are intended to be sort of a thoughtful and conscience decision about height and bulk or bulk in this case?

Joslin: I would say because of the structure of the code the only exceptions beyond the otherwise prescribed limits in the code that are revealed on the base are through the central city master plan. So any direction you give us today is applying only to those transfers and they get executed in the future and not these other transfer provisions that are otherwise in the code.

Adams: What's the press dent in your mind we would set if we say yes to this request? Yes to the development.

Joslin: Well, I would hope it would give us some direction about regardless of which direction you go in your decision, about what sort of natural limits might exist for other future such application of he is of these kind of transfers in the future.

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Adams: Because if we didn't, what would happen? What would -- if we didn't provide you with some limiting direction.

Joslin: With the simple approval and not a lot of direction or deliberation, we will assume that you believe that, through a central city master plan, these transfers are viewed as sort of currently desirable and allowable and approvable.

Adams: Ok. What's the kind of limiting language that would begin to tighten up or provide some direction? What would be useful to you as the point person on this?

Joslin: I think there are two as specks we have been hearing a lot of discussion about. One is how much is too much and the other is how far is too far?

Adams: Thank you.

Potter: Further questions? Thank you.

Saltzman: One further question, jeff. One of your options is remanned to the design commission with direction to the commission and the applicant regarding further design issues to be addressed. So we could remanned this to design review with the instructions that it -- for the applicant -- that it be a 9-1 f.a.r. Is that -- am I interpreting that correctly?

Joslin: Conceivably so. Though I suspect you might hear from the city attorney that any nine to one project would be such a substantially different project that it should probably go through a completely new review process.

Saltzman: Could we make findings to alleviate that necessity? I think we have done something like that in the past.

Joslin: That would be a excellent question for the city attorney.

Saltzman: Did you hear it?

Rees: I'm sorry. I was in a discussion.

Saltzman: Jeff was saying that the city attorney would probably say we -- a nine to one would be such a sufficiently different project that it would have to go through the reapplication phase. And I am saying, haven't we made findings in the past about specific projects where they have gone back to the drawing table and --

Rees: Sent them back to design commission?

Saltzman: Yes.

Rees: We have. Our code does not explicitly provide for that as one of your options. Our code doesn't specifically prohibit you from doing so. So I am aware that it has happened before. We also have a 120 day clock issue at some point. I don't know where we are in there.

Saltzman: You don't?

Rees: It may be the applicant would say we would rather just take our time and resubmit rather than have it sent back.

Saltzman: But we could make findings that would avoid a resubmittal if we chose to? If it was a remained to the design review.

Rees: If it's a remand to the design review we wouldn't have findings at all. We would only have findings for our final decision. If we are -- you mean if the city council --

Saltzman: If we are remanning it with instructions to the applicant to basically live within a nine to one f.a.r.

Rees: We would not have -- we would not --

Saltzman: Is that sufficiently different project from what's before us to require a resubmittal? And if it is can we also waive that resubmittal process?

Rees: I can't answer that because I don't know design wise what having a nine to one f.a.r. would do to it. It's my impression that reduction of the lloyd district piece by simply reducing the two floors has not changed it significantly.

Saltzman: You are saying basically a nine to one from a 12 to one would be sufficiently different to trigger resubmittal in the city attorney's opinion?

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Joslin: What I think I just heard there's a comfort level with just that general potentially with that general direction. We are talking about a project that would roughly 75% the scale that's currently proposed. I believe what I just heard is that that's probably acceptable to -- that that's within the purview of the council. I would also suggest along similar lines we consider this change, this reduction resulting from the elimination of Lloyd transfer to be pretty modest. All the other details and other supporting information we have about the project is still relevant.

Saltzman: No. I think i've got it. Thanks.

Potter: Sue, please call the first three people.

Parsons: If you come up three at a time the first three are phil smith, angela crawford, david savinar. They will be followed by wilma caplan, meridel prideaux.

Potter: Thank you for being here. I am sure you heard my discussion earlier about new testimony.

We will not be rehashing the july 12 but information pertaining to new testimony. New evidence, I mean. So please state your name when you speak. You each have three minutes. If you can hold it under three minutes that would be greatly appreciated by this council. Please begin with you.

*****: Ok.

*****: Oh. I'm sorry. I was number one on the list.

Potter: Why don't you.

Philip Smith: Let me get this out of the way. First of all my name is phil smith. I have been here before. First I would like to congratulate you. The conviviality level of this meeting bears a marked difference from that we saw in the first meeting. And I really appreciate that and I will try keep that same faith in my own testimony. What you wish to testify to today, I had prepared documents, as usual. I can't use them because much of what I have been you have already talked about. But I would propose a possible solution to commissioner Adams' question. I believe it was relative to how to you make a distinction between the various levels and forms of transfer of f.a.r. And I believe the solution resides in the question of whether or not f.a.r. Is being moved around on the code map. If it is, then, the actual transferor is the city. And not any individual property owner. And if you take that as a distinction, I think this problem may go away. Because we don't have to worry about who's got jurisdiction, whether or not it's the hearings officer, whether or not it's the design commission. The whole question really resolves itself to who's doing the transferring? If it's amendment to the -- if it's a de facto amendment to your map, which you have as a part of your plan, as far as actually being transferred from one location to another on that map, is it a de facto amendment of that map & therefore, it's the action by the city. And as such I think that resolves your problem. It is really a method by which the city scopes the profile of city. It really the method by which the city wishes to assign development through various sections of the city. This is what's -- what was behind the step-up/step-down policy stated clearly in section 520. The ability to, in effect, create an umbrella, an envelope into which people can move -- excuse me -- can build and in connection with their allotted density. And this is a carefully crafted plan. It has a great deal of reason and a great deal of consciousness and a great deal of thought in it. So the question remains is, is there a way we can get around this issue? Which is to say, why ought we be talking today if there wasn't a mistake made by the design review commission? And that is they simply failed to consider the stepup/step-down policy. There were no findings. There were no conclusions. There were no testimony whatsoever on that policy at that hearing level & there should have been. The other thing I wish to address -- i'm out of time so I will stop.

David Savinar: My turn. I am david. I am a multigenerational native here. I reside in king's hill, in goose hollow and I am a nearby business owner. Mr. Mayor, your question was exactly a question that I had wondered since I was present at a goose hollow association meeting way -- a long time ago. And the question was, why didn't -- why did goss hollow appeal this and why didn't petro seven and riley appeal it on their own accord? That's an excellent question. Because when I was at these meetings everybody was getting along really well, and it seemed to be a great project

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and all was happy. Lately, it seems there's a jerry powell contingent, and he's great. He's been keeping me as a neighborhood resident in the loop on what's going on. But then there are the neighbors against this and then there's the neighbors for it, which I represent. And then there's developer a and there's developer b. So it's all on a lot of levels in goose hollow. So I don't think it's really clear who's for what and who isn't when they get up here and speak. So basically, that's kind of how I see it in kind of a convoluted way. But I think it's objective. So I want to make the following point in support for the allegro based on a lot of things. We need to create a reasonable climate to do business in Portland. In my opinion, what is going on here is not reasonable. For anyone to want to come here and do business. M david paul and their architects followed the rules.

Whatever the rule may which to after this meeting they followed the rules in my opinion. They proactively sought out the advice and consult of our very own Portland city staff. All the suggestions were followed and the necessary revisions were incorporated. Into the plan and the allegro was overwhelmingly approved at design review. There was only one person who voted against it. You gentlemen have the responsibility to uphold the decision of the design review if we want to build a reasonable business climate in Portland. Who will want to do business here if you follow the rules and then go some more, and then you get bumped anyway by the locals? That's it.

Angela Crawford: My name is angela crawford and I am here on behalf of the goose hollow business association, the other association in goose hollow. I guess there are a rot of different levels in goose hollow. Not only are the neighbors that I have talked to in goose hollow behind this, but the businesses are behind this. They think this is a good decision for businesses. I have a number of letters here of support from local businesses. They want to see the activity just as tri-met wants to see the activity. It coincides with the vision of Portland that a number of people have that Portland wants to change the look. Obviously, that is happening. If you go down to the riverplace, you see the 1980's development. And then you see the 2006 development. Wow. Ok. That is where we think Portland needs to go, to continue its vision of change. And we ask that the city council members come along with goose hollow business association, and continue that change. We need to see the progress in Portland. The people in the goose hollow business association, as well as the neighbors want to see this progress. They want to see a beautiful building just as mayor clark said and tri-met people said. This is a beautiful building. Whether it's nine to one or 12 to one, I don't think the issue is far here. I think the issue is those people who want it change and see Portland moving forward and those people who don't want to see Portland change. And keep it the same. And I don't know how many people here support it. But again we can rise. Support change and support the allegro. Thank you.

Potter: Thank you.

Parsons: Next are wilma caplan, karen hinsdale. Meridel and they will be followed by mark, and david jaynes.

Potter: Thank you, folks, for being here. When you speak, please state your name for the record. You have up to three minutes and we are accepting only new evidence testimony.

Wilma Caplan: Ok. Do you want me to go first? My name is wilma kaplan. I live in the goose hollow area. I have at one time had a business in the goose hollow area. I have been in real estate since late 1973. And I feel that some of the points that have been brought up that I can speak to, because most of my business has been in this general area and I am still in real estate. One of the things people have said is about view. Well, I don't know anybody that can guarantee a certain view. Where I live, I am on the west side. Fit wasn't for the building meridel is in -- I could see the park but I can't. On the east side a building was built years later and it spoiled some of the view of the people that normally could look right into the city. I don't think you can say you have to have this view. The second thing we want to encourage people to come here and live here. What we are finding and people coming to town is they want urban living. And they are used to transportation. So most of them don't even care if they can walk downtown, they can take tri-met, light rail,

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whatever. That's kind of the thing that we're hearing now. And I think it's important that the council consider this. The other thing that we are hearing is, when they transfer in an employee, a c.e.o., or a company, when they are coming to look at Portland, what are the schools? And what kind of cultural things do they have? Like the symphony, ballet and so forth. And this project could bring us more taxpayers that would help us support some of these things. And I think that's really important. And i'm not sure -- I don't have any figures to back me up. But i'm not so sure that people who aren't renters will take it as much as the renters. There's a lot of people that don't like to take their car downtown. Don't want to park. Don't want to worry about it. They could live right there, get on light rail and go anywhere. I think it's a boon. So I feel that the design review committee worked with the developer, they tried to meet all the demands, and I feel that this is a project that will benefit the city.

Meridel Prideaux: My name is meridel prideaux. I have lived at park place condominium at the foot of Washington park. Aim very active long term life member of the Multnomah athletic club and I am president of the Portland festival symphony which provides free classical concerts in Washington park throughout the summer and I thank you gentlemen for your helping us this year. Professionally, I had my business in goose hollow in the kamm house for 10 years. I own a marketing firm and have for three decades. I have marketed the many high rises in downtown Portland legends, for one, the koin tower, american plaza in the 1980's and the first seven projects of hoyt street properties in the pearl district. I, for one, believe that the allegro project will only enhance the livability of our community. In the low-income, work related housing in our goose hollow area I think it would behoove us to have luxury high end for those of us' age we want to sell our cars, we want to eat in a restaurant close to our building. We want to take public transportation 20 our businesses and for our social activities. So it is my belief that moving Portland forward with a beautiful project like the allegro will only enhance our community.

Karen Hinsdale: My name is karen hinsdale and own a retail store one block from where the allegro was proposed to be developed. I follow this project probably more currently because we have been talking about it an awful lot more. But for my perspective it appears that these developers are trying to put together a very high-end project, an excellently built and designed project that appears to have met from everything I can find out all the design review is met all the specifications that were set forth in the development and the planning of the development with the state, with tri-met and the city. And it seems to me that it's I think mr. Savinar, although I have never met him before and never pap happen participated -- I came down on my own -- because it seems like a fairness issue. They have tried to do what we have asked them to do and they have done it well. So I came down on my own to say I think this deserves your approval and I hope you will grant it.

Potter: Thank you, folks.

Parsons: Mark nye, david james. They will be followed by jack, howard glazer, and michael meff.

Potter: What's the third name for the first group? Oh.

*******:** The third name.

Potter: Here he comes.

*******:** A little slower.

Potter: That's ok. Thanks for being here, folks. When you speak please state your name for the record. You have up to three minutes. Remember, we are only accepting testimony on new evidence.

Mark Nye: Hi. My name is mark nye. I grew up in the Portland area and when I was a young man I sold hot dogs in pioneer square. But career decisions took me away to los angeles, new york city, set rae. And I educated myself. I got a master's degree and great deal of life experience in technical expertise. I always wanted to come back to Portland, and it's for buildings like this that I

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came back. And full disclosure I have been working on this building for sienna. I didn't come back to work on this building but I came back to work on buildings like it. Portland is a place where young professionals such as myself can raise children in an urban environment and I believe in this project beyond the simple employment issue. Density is a prime component of this quality of life. And so that's what I have to say.

Potter: Thank you.

David James: My name is david james. I was born and raised here in Portland, Oregon. Both in north and southwest Portland. I attended st. Thomas more middle school. Itself a graduating class of 2001 at lincoln right across the street from the site. I currently just moved back from new york city, with that under my belt I can say that I am really glad to be from a city like Portland. I have also noticed a lot of the change. North and southwest as well as the pearl district, which I think is great. I am currently also in the process of purchasing a place at the civic right on west burnside which is actually how I found out about this new building. They kind of threw it at me as a selling pitch. About how the neighborhood's growing and this is a possibility and actually kept me interested so I looked into it and looked a little more. And I grew up in that area. Camps at the mac club, participated in sports at p.g.e. Park as well as lincoln school friday night dancing school all in about a four-block radius. And as you know, as a future resident of that neighborhood, I believe that the building will be a definite, you know, great addition to the goose hollow neighborhood. Thank you.

Potter: Thank you.

Abe Weiner: My name is abe wine neither. I live at 2323 s.w. Park place. 23rd and park place. I wrote you a letter on the tenth of july which I think you all have copies. I had an experience owning a building adjacent to where I now live and I wanted to build a four or five-story condo. Two people in the building I now live in objected to the city because of the obscure their view. It was a falsehood. This building is only 10 stories high. There's no view that would have been obscured. I was denied a permit and the building was never built. I am not here to complain about that. I hear a lot of legal ease, economic development, by vested interests. I have no vested interest other than the livability of where I live now. I have a letter, I sent you a copy, of half of the people living to that building who supported my view as stated in this letter. I heard nothing about the public gain. Questions were asked but no answers. I heard density, f.a.r.'s, but when you have a school across the street, and you have congestion now, and you are going to add congestion for 200 some-odd units, what's that going to do to the liveability in Portland? Or in a neighborhood? I haven't heard any discussion or any answers to that. I'm not against progress. But progress has to have a gain on all sides. The only people to gain in this instance are the developers. And the associates selling condos or whatever it might be. There's no other gain, not beauty. It's congestion and there's no gain to the public. I urge you to have them redo the concept to avoid the congestion, f.a.r.'s, call them what you want to call them. To accommodate the neighborhood. There's no 21-story building in the neighborhood. Tell me that's beauty? Concrete city. With glass. On a mall piece of property. I urge to you have them either redo the project or deny the application.

Potter: Thank you, sir.

Parsons: Next are jack mongeon, howard glazer, michael neff, followed by judy, bill riley junior and chip leisure.

*****: Did you want to speak again?

Potter: Thanks, folks, for being here. When you speak please state your name. You have up to three minutes and we are accepting testimony only on new evidence. Let's begin with you, sir.

Howard Glazer: I'm howard glazer. I live at 2378 s.w. Madison. I am on the board of the goose hollow foothills league and have been for many, many years. And I was chair of the development committee that tri-met seems to think they have the right to end. And I want to correct some statements that were made in testimony here. The city council resolution, 35055 that established

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the requirements for the light rail -- pardon me -- west side light rail, including -- and I want to emphasize this -- a clause that required that the neighborhood association would be in control of what went on the vacant lands of -- that were left -- that were owned by tri-met. And we did that twice. And this time, we weren't informed that it was going -- i'm sorry -- it was going on. There was no time limit on that. The only time limit was that all of the requirements were met. Well, in this case they were not met. So we had tri-met making a deal on their own without the neighborhood's involvement whatsoever. Portland has a desperate need for affordable housing. Somebody said, well, there's a lot of affordable housing. That's not true. And it's not true that these two projects that were built are all affordable housing by any stretch of the imagination. They are mixed market and affordable as they should be. We shouldn't ghettoize affordable housing any more than we ghettoize million dollar condos. There should be a mix. Tri-met, in tuesday's Portland tribune, was quoted as saying one of the things we can do is to be good on our word. A deal is a deal. Well, I ask, if tri-met intends this only for developers but not for the city of Portland? And what they ordered under the resolution 35-055? And, of course, goose hollow neighborhood. I think that's all I have to say. I hope that you agree with this appeal and that you order tri-met to live up to their agreement with the city and with the neighborhood.

Potter: Thank you.

Jack Mongeon: I'm jack mongeon and I speak for a number of speakers. I am on the board of directors of zion lutheran church. We have been there for a while, over 100 years. I was here last time. And our church wants very much the best for the community. We go along about almost everything. It's where we are on that. And we were for the development. And then at the last meeting we were not for the development because it grew like a monster. It grew taller, bigger, and it's not what we agreed to and a lot of others. We all went through that last time. Now today, today, I am hearing otherwise. It sounds like building is going down a bit. It's going down. I hope. If that's the case, our church is along with it. So what's the relevance to the building to us? Well, our involvement, years ago when tri-met was going through they took a lot of our park. So our parks was assigned in that lot that you are talking b we have assigned places in there. So that's going to be in whatever new building is going to there. So we do have an involvement. And our investment in the community is another consideration to us. You know, we're very involved. We want people that are in the community to be in our church as do the other churches. So we want to be good neighbors to everybody. So we have two serious consideration there for ourselves. Now, if everything goes along fine we don't have a problem. We change our minds. We are going along with it. One other thing I might add, too, I think we are in the f.a.r. Consideration. So that's another involvement for us. And we are a key in there somewhat. We are going to be good guys and go along if the building is not a giant monster. I might add, I can't imagine in my own mind that block over with three buildings on it look ugly. It would look better with one building on it and it would be more efficient and shorter. That's what should be done. I imagine you have that in mind. A serious concern for us is, and you mentioned that already, is precedent. What would be a nice for the area to have a few large buildings like this, it's good for business, you have a lot of people in the area, and it looks spacious. Remember, we have a corridor from the west hills going to the river. We're in that corridor. Don't need it blocked. To have fewer buildings nicely spaced would make a nice community. To set a precedent and builders can come in there one after another and the whole things is densely packed would not be a good deal. The third consideration here I have for is, I have been a business owner for 39 years in downtown Portland. And if I had to suffer from something it's called affordable housing. You have a guy -- I have a gallery and all of a sudden they put in a building with a lot of so-called people needing affordable housing. I got people defecating on the door when customer are inside, panhandlers. That's not the place. You know, you on the council should really think about where you are going to have it because if you

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put it right downtown you are killing the downtown. That's not smart. That's the end of my speech.

Michael Neff: Thank you, mayor, mayor Potter and members of the council. Sue parsons has some material I have submitted for the record. There's a packet for each of you. I am an attorney that represents bill riley and dan petrosecch. I am a partner with jim francesconi. Commissioner Adams had asked about the precedence and the potential open season and a wild west kind of approach, if you approve this development. And I think that that possibility is exactly true. And that what you do need are some -- if you are going to -- if you are going to try to work with this master plan language which is difficult, you do need to set some side boards on it. Now, the experts on f.a.r., and there's in your packet there's -- I have got a long white paper about f.a.r. transfers and how those are used typically in other jurisdictions. The experts will tell you need a couple of things. One, and this is very important, you need a limit on the total f.a.r. that can be transferred to any receiving property. And that's needs to be explicit in the code. I think it's explicit in the code right now and you have the ability to find that that's true. Especially the way this application was processed being sent through design review. If staff is insistent that design review is the right place to go, with these types of proposals, the code says that transfers, which transfers go, what they have said is transfers, f.a.r. Transfers go to design review. That's where they go. It's a transfer. Well, the code also says transfers need to stay at three to one and that's the maximum a site can receive. You have the ability with the code to put that limit on it. Other side boards are important, too. And I encourage you to look at the other f.a.r. provisions in the code, such as the transfer provision, such as the s.r.o. housing provision, the residential housing provision. All the provisions you have in the code now require a public benefit and that's explicit in the provision. If you are going to use the master plan provision, it would make sense to send some direction to staff, actually setting out what the public benefit requirement is. Jeff Joslin has put forward seven different options for you. I would suggest one of two would be most appropriate. Number five, deny the proposal based upon not meeting the central city master plan approval criteria. Or you could take the approach, commissioner Saltzman was speaking of earlier, which is remanned the design commission with a recommendation that nine to one be the maximum that would be consistent with the code. I would like to point you to one final thing which are the central city plan design goals. Number nine. Ensure that new development is not -- is actually at a human scale and related to scale that the scale and desired character of its setting. So if you look at --

Potter: Your time is up.

*******:** Thank you very much.

Potter: Thank you.

Parsons: I stand corrected. Next three will be judy, dan, and bill riley senior. And they will be followed by bill riley junior, chip leisure, and joseph ready.

Bill Reilly, Sr.: I just have something to say for about 15 seconds. I have heard all the conversation and people standing up in the rear. Acknowledging that they like the building. I want to it to be clear that if we, in fact, are able to make an agreement with the other side, pending your decision, of course, we will have the same building and you will have a nine to one f.a.r. I got the feeling that the people in the room don't understand that. We are not changing the building. We are changing the denominator on the fraction. We are making it bigger. I just want that to be clear. Thank you.

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

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

Judy Ma: Hi. My name is judy ma. And I am born and raised in Portland, Oregon, and I have been a resident in northwest Portland for the past seven years. And I have to say it's projects like this that encourage knee stay and support our city and our local businesses. I will be reading a letter from an urban architect here in Portland, Oregon, mr. Isaac johnson. An open letter to the Portland,

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Oregon, city council in support of the allegro condominiums. To the distinguished commissioners and the mayor of Portland, Oregon, city council, I write this letter to express my opposition to the appeal to overturn the design commission's approval of the allegro condominiums. I write to you as a native Portlander and as an architect. As an architect, fair ground rules for a development. As an architect designing high-density urban housing, I depend on the fair and equal enforcement of city codes. It is my understanding that the allegro conforms to the applicable codes. If council wishes to add new restrictions to the zoning code, it is empowered to do so but it is unjust to penalize projects retroactively. This design and development team is accountable to the rules as they stand today. They have set forth on a design an approval process based on these codes at substantial expense to the developers. Development is risky. A reversal of the design commission's decision could send a message to the development community that development in Portland is rout with the added risk of arbitrary rule. Approved by design commission, the city of Portland is fortunate to have a design commission. The individuals on the commission have been selected based on their experience and knowledge in the design and development communities, and perform their duties as a service to our community. This commission is empowered to make judgments regarding compliance with the design good lines and the zoning code. The commission conducted a thorough review of the allegro condominiums and found it worthy of approval. Unless it is shown that the commission overlooked issues as they pertained to the design guidelines or the zoning code, there is no valid reason to undermine their position. As a Portlander, Portland needs urban housing. The air raft single family house has passed. There is no space left. People are moving to Portland and will keep coming and they need to live somewhere. Fortunately, Portland has been visionary and planning for this growth. The site of the allegro is prime for high-density urban housing. The site is on the whether adjacent to public fields and is walking distance to the heart of downtown. It frankly doesn't get much better than this. The Portland of the past has grew to accept all of us. Things change. People compromise. The Portland of our future needs us to be as accommodating. Respectfully, isaac johnson.

Potter: Thank you.

Dan Petrosich: I'll be real brief as well. I'm dan again for the record. Just a couple of things I wanted to add. Yesterday you got a letter from jordan schnitzer. He's a property owner to the east of the allegro project. The other thing I wanted to point out is all of the neighboring property owners, either on the block or across directly across street support the goose hollow appeal that includes the schnitzers, bob butler, bill riley, myself. And then lastly, I think if the schnitzers might be interested in what's being planned for their site as well as we would. So they might want to see this model. But that's all I have to say.

Potter: Thank you.

Parsons: Bill riley junior, chip leisure. And margaret corrigan. And they will be followed by lee wynn, seamus and joan on southwest park.

Potter: Would you read the other names?

Parsons: Bill riley junior, chip, and margaret corrigan.

Potter: Would you read the next names. Are you with this individual?

*******:** He just brought this up.

Potter: Would you read the next set of names, please.

Parsons: Sure. Lee wynn. Seamus blaney.

Potter: Would you read that last name again.

Parsons: The next one would be joan on southwest park.

Potter: That individual here?

Parsons: If joan's not here, then jeffery lamb.

Potter: Mr. Lamb. Please state your name. When you folks testify you have up to three minutes and we are only taking testimony on new evidence.

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Bill Reilly, Jr.: Thank you very much for the opportunity. My name is bill riley junior. Portland, Oregon, part owner of a business on the north property. I think you are familiar with my involvement there. I want to emphasize I have been involved with this neighborhood for over 20 years. I was on the goose hollow neighborhood board for a number of years and heavily involved with tri-met committee during the planning and design and construction of the tri-met through the area so I am quite familiar with what's been going on there. I did want to address commissioner Saltzman's question about the density. If you built two buildings on that site, at a 12.9 f.a.r., and I think we discussed this last time but just even though this is in a slightly smaller building than before, I have a chart here that talks about the size of the largest buildings in Portland. And this would put the buildings on that site still as a third largest building at over 600,000 square feet on that block. So that would be larger than the wells fargo center and larger than the pac-west center across the street. So even though it's smaller still very high density for that location.

Adams: If I could interrupt are you saying that schematic there would be in the top third? Is that what you are saying?

Reilly, Jr.: If you applied that density to the entire block, then -- i'm not familiar with this. This is first time we have seen that but if applied that density to the swire block that's the scottsdale of the building you would have on that site. So it would be a very large structure indeed. I think the -- I want to emphasize our family is very open and we proposal developing the block in an appropriate fashion. We think that a beautiful building that the whole neighborhood would support at nine to one would be a great project on that transit site. It wouldn't -- I think everybody here has talked about how great the allegro project would be. And I say it would be a terrific project but I think the more appropriate density would be nine to one on the entire block. And we heard something today that the subject that increasing the density with the f.a.r. Transfer was brought up two and a half years ago. This is first time we heard that was that it was brought up two years ago because the first time we saw this density was just before the design commission review. If now is the right time to look at increase the density, then, we feel it's important that a legislative process be put in place rather than doing it in a haphazard piecemeal fashion. What's the appropriate address putting larger densities within this neighborhood? Rather than in a hap hazard piecemeal fashion. So that's pretty much what I have to say and I appreciate the time. Thank you.

Saltzman: Can I ask one question?

Reilly, Jr.: Yeah.

Saltzman: So I asked the question earlier about nine to one applying to the whole block. That's what you are advocating but if it turns out there's still two separated developments you are prepared to redevelop --

Reilly, Jr.: At 12 to one.

Saltzman: As nine to one?

Reilly, Jr.: Well, if it's approved at 12.9 to one we would certainly want the option --

Saltzman: I am saying if it's approved a the nine with one.

Reilly, Jr.: We would be very interested in developing our block at nine to one.

Saltzman: Even if it's totally separate from allegro?

Reilly, Jr.: Yeah. Yeah.

Potter: Would you involve residents in your development?

Reilly, Jr.: Absolutely.

Jeff Lamb: I'm jeff lamb. Cnr architect company and I have been on this project for four years. I have on the original proposal team which was 16 stories. Actually 18 stories with four levels of above grade parking. And 140 some odd units and the new evidence is this model you are looking at was produced with myself as lead, with the rest of us and it really shows the zoning envelope of what's there now. This is the current zoning code. There's 325-foot height limit on all the sites around this, almost all the way to burnside. This has been tagged as a high density urban living

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situation. One of the few left in the city. The projects are coming this way. And it's been seen that by jefferson coming up, the project by joe westin is coming up. It's 26 stories and has a small footprint. What we simply wanted to demonstrate on this site is to stay building of similar footprint to joe westin's project and put it on the site behind us to show how that building could work. And Portland, oftentimes you don't get a full block. That's just the way it is so you come up with interesting solutions to make it work. We have been through the process. We played by all the rules. We have modified our building four times. And I feel we have done a great job in the process works. That's why we have design review. This is first time I have been to council in 22 years. It's good to be here. Because I can say what I have to say today. Thank you.

Saltzman: May I ask jeff a question?

Potter: Yeah.

Saltzman: The building your showing on the northern property, what is the f.a.r. of that building?

Lamb: Mr. Riley has -- excuse me -- mr. Petrosich has transferred his f.a.r. from the site to the north so I am using that f.a.r. He has transferred to create a 12 to one building.

Saltzman: That's a 12 to one?

Lamb: Yes.

Saltzman: You are showing?

Leonard: I am driven to ask because of a comment that you made that seemed to be a theme with your side's position. And what I wrote down that you say -- correct me if I am wrong -- you have been through the process and you played by all the rules.

Lamb: Right. As we know them.

Leonard: As I understand it, you are creating a rule. In order to be able to get this project approved, you are actually doing something unprecedented. That is, buying f.a.r.'s that aren't contiguous to the property. So i'm a little disappointed might be too strong of a word but a little concerned with this snippet of a what almost sounds like a public relations line. You played by the rules. In other words, trying to conjure up this image that this council is anti-business and we are changing the rules. I don't -- I don't quite understand.

Lamb: We are doing everything legal.

Leonard: You are -- that's different than --

Lamb: And to me that's the rules. Maybe --

Leonard: You understand this is a brand-new concept you are introducing.

Lamb: I just came off a project before this one called the metropolitan where we got 75 additional height on that project. We transferred f.a.r. It's great when you own six blocks. You can transfer all day long and nobody really cares.

Leonard: That's not the case here.

Lamb: I'm just saying f.a.r. --

Leonard: You are proposing a development for which you don't even own the f.a.r. yet that you haven't negotiated an agreement with yet.

Lamb: You have to talk to the developer.

Leonard: I understand that. I understand that. But I want to be real clear for the listening audience because you seem to be developing this theme that I am increasingly concerned about.

Lamb: Ok.

Leonard: That is a mischaracterization of I think of what this issue is.

Lee Winn: With all due respect commissioner -- Lee winn, principal at cnr architecture. All of these issues and all of these transfers were dealt with, with the bureaucracy in the city prior to invoking this design.

Leonard: And you think the council has no role in final judgment on what the bureaucracy that you have dealt with?

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Winn: I certainly didn't say that but what we are saying is that we are going based on direction that we have received from planning staff. And interpretation of the code that we received from planning staff.

Leonard: And we are the final --

Winn: You are.

Leonard: I just all I am trying do is clarify.

*******:** I see what you are saying.

Leonard: Very concerned about this team that feeds into a perception that I don't think is accurate. And I don't think it's fair and it's a little disturbing to hear this from people that I think know better.

Winn: Virtually we do not come up with the rules. We certainly have to --

Leonard: All right. These rules are not changing. You are breaking new ground and we are listening to your argument and we are making a decision upon that. But I do not -- as you can tell I am not reacting well to this kind of argument that we are somehow business unfriendly or changing the rules that you seem to be pushing and I am not reacting well.

Winn: All I am saying we asked for a response from the staff prior to invoking these rules and what you see in three dimensional form.

Leonard: And the neighborhood had a reaction to that. They filed an appeal. That's the process. We ask you to work with the neighborhood to resolve it. You chose not to. You are here and we are trying to listen to both sides but I am just saying stick with the facts and not these kinds of themes that appear to come out of a public relations firm. It doesn't sit well with me.

Winn: I don't see where that differs from the fact we played by you'll the rules. I don't.

Leonard: These are part of the rules. This is part of that process.

Winn: That's fine.

*******:** We accept that.

Winn: Shall we start my three minutes? Lee winn, principal at cnr architecture company. I first wanted to say something about the honorable mr. Francesconi's interpretation of the wamu transfer. I'm in fact doing a 23 story tower in seattle two blocks from the wamu tower and as a result I'm very familiar with the zoning code. In the downtown mixed use codes, there's a base code for commercial and typically in that code it would be a five to one. On top of that there's a bonus code which allows you to do public benefit, which would be street pedestrian protection, any number of different things that will allow to you get to a seven to one. In these zones, housing f.a.r. is free. We are actually going to almost three times the f.a.r. allowed on this site because the city of seattle wants to bring people downtown and make them a vital part of the downtown core. So please understand that our sister to the north is resolving issues that they have in which there's a huge number of people coming in that they have to accommodate. Outside of that, I think the only thing I would like to observe or say is that I think that you guys have a real opportunity and I think it's in some ways perhaps even an obligation to our constituency and where we live in which we want to tell the greater development community, and I am not just talking about the local development community or even the west coast or even united states -- I am talking about the world development community who is watching us, that our doors are open and that we want other people to be a viable part of building this city to what we could, what it did can be in you the future. Ok.

Reilly, Jr.: Can I clarify one thing real briefly? [scattered applause] commissioner Saltzman canned asked about the transfer or the f.a.r. density and there was a statement mr. Petrocich makes it 12 to one, it actually makes it 9 to 1.

Potter: We don't clap during council session. If you agree with someone, please raise your hands and you can go like that but we do not clap. Please call the next set.

Parsons: We have three more. Gary, matt klein and john carroll.

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Gary Ruddich: Mayor, members of council, gary reddick, cnr architecture company, Portland. I had three or four pages of what I thought were beautiful prose that I am going to spare you with. But -- [scattered laughter] I did want to come back and -- don't take this as disingenuous. I am a part of this project but I wanted to share some thoughts about f.a.r. and f.a.r. transfer that I want to be instructional and I truly mean that if you had called me to testify, if somebody else's project was here and saying, hey, we have got some confusion on this issue, what do you think? I want you to take my comments in that light. Commissioner Leonard, you asked several hours ago, should we just throw f.a.r. out? And I truly don't think so. I think it's been almost an invaluable tool. There was a 3d drawing that was in the tribune article yesterday that showed a hypothetical f.a.r. massing throughout the city. That's been a very useful tool to help quantify in a general way what can Portland contribute to the carrying capacity of dealing with the growth that's coming to this region over the next 10, 15, 20, 25 years? As our part of playing a role in the larger region, those f.a.r.'s and height limits were done specifically, but the other point I wanted to make about them is that as best as anybody could understand 15 years ago, or whenever the six to ones and nine to ones and three to ones were put on the books, it's still arbitrary. And there isn't a person on this planet who can tell you that if nine to one is great, 9.25 is going to be terrible. It's an arbitrary number. My advice to you is, keep some discretion about whether a transfer to a particular site is appropriate or not and give guidance on whenever it might land. My friend jim francesconi says just moving f.a.r. around within a district doesn't have any effect on an urban growth boundary. That's just not true. It is true if you take all of the f.a.r. that a district has as its capacity, and you find a different way to redistribute it. Then I agree with him. Let me give you a graphic. If you imagine an area like goose hollow, has a five to one f.a.r. throughout its entire neighborhood or entire district. Let's say some projects reach that five to one, but a number of single family houses never redevelop. They are at clearly not contributing to the inventory. And some sites like, in this case, the tri-met plaza across from p.g.e. Park, never going to develop. They don't contribute to the inventory. If people still keep coming here, that zone has never reached its contribution to the overall plan and the people will go somewhere else. That somewhere else is called sprawl and that's where the effect does come down on the urban growth boundary. So I would encourage you for the property we're dealing with and for the petrocich riley property and others not to put a ceiling of nine to one but say, hey, we have got a process that looks like we want to keep -- we want to try to maximize --

Potter: Your time is up.

Ruddich: Try to maximize the f.a.r. Thank you.

Matt Sloan: My name is matt sloan. I appreciate the opportunity to talk and I will keep this brief, not to 10 pages that I have got here. Everybody here that you heard today has their agenda. Including myself. Jerry with goose hollow foothill league has his agenda. Adjacent landowners have their agenda. The development team of the allegro has their agenda. Goose hollow foothills league, jerry powell, it's a very concise -- you know, there is no more than a nine to one f.a.r. there's not such thing as f.a.r. transfers. You can't do it except if it's across the street. There is no central city master plan transfers. Nine to one's ok with jerry. All day long. Nine to one plus one foot is not ok. I'm not sure that that's the kind of stances and that's the kind of compromise or uncompromising positions that the neighborhood association should take to have long-term recognition is working for the neighborhood doing what's right for the neighborhood. The adjacent landowners, they have an agenda. It seems that their agenda is to protect their development rights on their parcel. Perfectly good agenda. Nothing wrong with that. I think that it's proven by this model over here that you can build something in concert with the allegro. That 14 stories, that 30-story building that dan petrocich showed at the goose hollow foothills league, a little modification there but basically thinks 30-story building overlooks our wing by 16 stories. Preserves his southern views. That was done intentionally. I mean that will work together. The allegro development team's got its own agenda. Promote density for light rail stop. Fulfill our agreement

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with tri-met. And hopefully at the end of the day make some profit, yes. And the f.a.r. transfer may help in making that property. It certainly helps in mitigating the risk in doing high-quality project. All these agendas aside, the most important agenda is the agenda of the city. And that agenda is represented by you five. You are the caretakers of the vision of the city. You are the caretakers of the reputation and the goals of the city. I do encourage that you make a decision on the validity of f.a.r. transfers. I think the jerry powells in the community are owed that. If we don't have that, then, yeah, we will have an appeal and every f.a.r. transfer and we will be here talking about it all the developers in town and all the landowners in town will be here talking about it every time there's an f.a.r. transfer. So it would be good to clear that up. I think the agenda of the city council should provide some certainty in the process. You know, we talk about following the rules, well, we followed the rules that we knew of that we were advised of. And those may not be your five rules but those were the rules that we were advised of and we did try follow them and we did try to compromise throughout the process. And we did not exclude the goose hollow from negotiations. We would welcome them to be there at any of the negotiations had they chose. They agreed that --

Potter: Your time is up, sir.

Sloan: I'm sorry. Thank you very much.

John Carroll: Good afternoon. My name is john carroll. I am a developer. I do not have any relationship with this property or process. But I just want the to provide a couple thoughts. One is that I am here in support of the specific agenda and that is the city of Portland. This, in my career in developing, over the last 15, 20 years, I have never been to a session, commission session council session what hasn't really been as important that is one. And the reason I am even testifying is that I want to be clear there's an opportunity that you are sending a message, a strong message to the community and I would like to make sure it is balanced and I think commissioner Leonard is concerned about that as well and I think all of you share that thought. This is a very, very complex conversation we are having here. I think that it's -- it reflect back on my involvement. I am the past chair of the Portland streetcar, worked with commissioner Adams for many, many years as we have worked through how you encourage development. And you know what the problem is today? We are getting what we said we wanted. We want density. We want density along our infrastructure lines. It's a balancing act. Certainly as it relates to affordability, as it relates to streetscape, activity on the street, jobs and all of that. And I just want to tell you that as a developer, as a participant in the city process from the streetcar perspective, as a citizen, I think this is a very, very healthy conversation but again let's keep in mind it is sending a message to the business community. I don't want to fear what we wanted and I think we are getting it, which is a lot of attention from around the country. 45 or 50 communities from around the country sent in to my office on the streetcar and all that integrates and I can tell you very sincerely it's a product of what's going on here today. So not project-specific but in support of your very, very close scrutiny. Thank you.

Leonard: Thank you, john, for testifying but from your perspective and I know you have done this for a long time and I appreciate all the work you have done. Does this strike you as forging new ground, what we are considering here today? This issue kind of like a laissez-faire kind of approach to development in that if you have the means by which to do it, you can go and purchase on the market air rights that, heretofore, at least have not come across my screen.

Carroll: I think, again, stepping back and look at the environment the city of Portland has created, you are now challenging people to take a look at what historically they have worked with, codes, rules, regulations and all of that. And to their credit, to all our collective credit is that we are being creative as we look at the regulations, as we look at the codes. And if the people that were putting together the central city or the senate bill 100, you know, in the early 1970's, knew what was happening today, the voters might have taken a little different look at it. I think you are now challenging people to be more creative as they take a look at the regulations, as they look at taking advantage of the opportunities. The number of opportunities for full block development in this

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community. There used to be a lot of them. There aren't that many more anymore. And there aren't that many anymore. And I think you are looking at people to be, to challenge and be creative and you are now find yourself in a position of going back and saying, what was our intent? What did we hope was going to happen? Certainly we would have wrote the regulations differently if we knew then what we know now. I am not trying to avoid your question. I am suggesting we are now in a very creative mode where people are looking back at the rules and regulations and are looking for interpretations that will do what we said we wanted them to do and that is make investment, jobs, and infrastructure. Last quick point is, as a relation to affordability which is a very important piece, I wanted to build product that's market rate, that has a tax base that contributes to our tax base, contributes to the taxes annually that I supports the county, the city, and so on. So there is a balancing act between affordability and market rate, condominiums, full. Just a side thought.

Potter: Thank you.

*******:** That's all.

Potter: That's it? Now deliberation and discussion. Council.

Saltzman: I guess I would like to forward a proposal. Another copy. I think there's, you know, two issues here. There's the larger issue about the validity of transferring f.a.r. from noncontiguous properties. And how we go on that is a policy decision. But in this particular decision, I guess I would recommend remanding this to the design review commission, instructions to the court that the f.a.r. should not exceed nine to one, and that we would also stipulate no resubmittal of an application, that, in other words, going to nine to one is not sufficiently different to trigger the whole new resubmittal of an application. And I do that because I do think this is good design. It's been done in good faith. But we do have the discretion to find, which I find this project is simply too big or too massive. And so on this particular project, I am supporting nine to one. I am not taking a position against transfer. I think that's a larger policy issue. And I also think that there is indeed a public benefit to this that's increased transit ridership. It is residential downtown. And I think that to set up a condition where they would possibly have to resubmit, go through an extended process, is unnecessary and its unnecessary for two reasons. If everybody who has testified from the neighborhood, from the adjacent property owners, it's testifying in good faith and everybody supports this project at nine to one, it's good design, it's needed there, so there shouldn't be any issues that would require resubmittal and the potential I think to further delay and sabotage this is not warranted especially because market conditions for housing are changing. And I think to send this project to the hinter land would probably risk nothing gets done. And I believe, in good faith, everybody has said here, we don't want to see nothing get done. We want to see something. We just want it to be nine to one f.a.r. so that would be the motion I would be prepared to make.

Potter: Would you restate your motion.

Saltzman: Remand the project to the design review commission, instructions to the applicant that the project shall not exceed nine to one f.a.r., and that the council would clarify that no resubmittal of an application is necessary under this revised f.a.r.

Adams: Second.

Potter: Just point of clarification. Are you saying that they don't have to submit any my plans?

Saltzman: They have to submit new plans but it shouldn't trigger a whole new building application process.

Leonard: I want to move to amend that motion. I am going to move to amend, and we may need some word crafting with this from the city attorney because I wanted to get it right. That f.a.r. transfers such as what was proposed from the lloyd district to this particular area are not allowed. As a part of this motion and, two, that f.a.r. transfers as is proposed from the southwest 18th and morrison site to this proposed site are only allowed if they meet a public purpose and it's a specific finding that this council that this proposal did not meet a public purpose.

Potter: is that a friendly amendment? Do you accept a friendly amendment?

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Leonard: I doubt that it's a friendly amendment given what he said.

Saltzman: The latter part is not a friendly amendment but I do think there is a public purpose and if we are going to deal with transferring f.a.r. from noncontiguous property, we should deal with that on our but not declare in this decision that that's this particular --

Leonard: I proposed amendment to your amendment which is in order. And --

Saltzman: I asked if it was a friendly amendment.

Potter: Hearing no second.

Sten: Mr. Mayor, could I discuss the motion on the table.

Potter: Yes.

Sten: I am generally supportive. It seems to me there's two separate issues the council needs to deal with and I need to work with planning staff and it may be before this comes back on exactly how to do these findings but there are two sets of questions that have been raised as I see it and I think it's important the council discuss them particularly because one sided that decided, I think with commissioner Leonard falsely, to make the difference between 15, 16, and 21 stories a message to the business community. This area is getting much more dense under any, under any scenario and the idea that there's a message being sent that we don't want density if we say that 12 to nine is too dense I think is actually creating a climate that you don't want to create. I would ask you to rethink that one because it's a bad argument from your standpoint. I have sat on the council for a long time.

I have sat on a ton of complicated land use hearings and I have never seen one that divided the serious architects and developer as much as this one and I am not going to name names but people that I take very, very seriously in all of your professions are sitting on both sides of this fence with very strong arguments. There is no -- usually it's development community versus somebody else and in case it's development community versus development community and to start using language that allowing a building at nine to one of this scale and in neighborhood that has nothing like it is an anti-business, anti-density message is doing your profession a disservice and you should rethink that argument. I think it's a misinterpretation of the code to read that the central city master plan allows for a transfer from a built out site on the other side of town to this one and I think it was to cna and the developers credit they pulled that back and I want to get on record that there's consensus on that. That the council makes that clear. I read the transfers can happen if it makes sense and that's the master plan argument. And I think there has to be some relationship between the sending site, the receiving site, and the overall benefit of the subdistrict of the central city. Not the whole central city. The subdistrict has to see benefit. And to some extent our neighborhood associations are the warning signal on that piece. This was done once in the river district and everybody agreed that it made it better. It wasn't allowable in that case. In my opinion. Because one developer owned both sites. It was because everyone who is affected by it agreed it was better design. Therefore it passed the master plan test. And so the test that should be applied, and this is what I want the council to think about in my opinion is that does it further the goals of the central city plan? And this is very, very important because the central city plan as mr. Carroll pointed out is going to be recognized. And the central city plan has to mean something to the neighborhoods or else we are in trouble. And what the neighborhoods and the contiguous property owners have a right to expect is that the f.a.r. is the maximum. This is when you get a bonus on for housing unless it's better for the vast majority of interests to get there. And that's how we have too describe it and this point I don't think the higher density building has met that test. Frankly, I think it might have with a little more work. I think it was pretty close and one of the reasons I have agonized a lot about this decision and I want to be really clear I think it's an excellent building. The developers talked about ate lot. Cna has talked about it. It's well designed. To my mind and that's where I think there has to be some judgment and I think that the council and in this case the planning staff have to err on the side of sticking with the central city plan unless we can show that extra benefit and so that's the way I think this should be interpreted, not as a contiguous, not contiguous, I can't

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imagine a situation where it's going to be beneficial to move density from the site that's already built on the other side of town. That one I can't get to. We can't stipulate you can't do it from lloyd center which is why I didn't support your legislation, randy. We need to work through. So I will stop. I think because what I have heard through this is that the council needs to give that kind of direction. And I think that's the range of things. I am not sure I have word smithed it exactly right. That I would think is the lesson from this. I am going to support commissioner Saltzman's motion in terms of specific case.

Leonard: I am going to take a stab at explaining, I don't know if I have a shot at this point but explaining why I can't support it. I think that your motion, in terms of limiting the f.a.r. To nine to one obviously something I support. It is consistent with what the neighborhood said and the other ownership interests on the block have said. The problem that as I understand it, and I have responsibility for the bureau of development services, jeff Joslin is under my -- one of my areas of responsibility and I am very tuned in to the message he is sending us. And the message that I am hearing be sent is they need clear direct shorn. And, ok. That's fine. That's what we are here for. I think that when we allow what you are proposing, commissioner Saltzman, is the transfer of f.a.r.s for other than a good public purpose. That we are setting an extremely dangerous precedent for development in this city. Our goal isn't just density, folks. It is also how the city looks. Its how the light comes through the corridors. Its how people view it. When I hear people sit here and just argues, but you want density. Well, yes. But our job here as a council is to balance density with the way it feels, the way it appear, the way it fits with the neighborhood. Those are all very important. When we allow transfer of f.a.r.s that have been alluded to before, beyond what may be in a master plan, it's in areas like johnson creek. We allow f.a.r. transfers from the flood basin, johnson creek flood basin in order to protect natural and sensitive resources. There's a public benefit in that. So the public wins by allowing a little more dense development and by having natural resources protected. We have a central city single room occupancy f.a.r. transfer. That's in order to encourage single-room occupancy housing downtown. For people who can't afford housing otherwise. There's a public purpose in that. And it makes sense. Central city existing housing, where we allow the transfer of existing housing that's replaced to another development site in order to maintain our housing stock downtown is for a good public purpose. You have come here and asked us for a 12 to one f.a.r. with no reason other than you can buy it from tri-met. Explain to me how that's in the best interest of the public. If you propose to us a 12 to one that included affordable housing, if you included a proposed to us and you are laughing, I am sorry but there are people in the community that need affordable housing. Who don't think it's funny. I don't think it's funny. I think it's a serious issue. And I think it's telling that we are having a discussion here today after our last session, we sent both sides away, all three sides away to have a discussion to see if they could come up a proposal, the first people that were excluded were the neighborhood who filed the appeal. Well, ok. This is part of that process as well. I mean, if they aren't sitting down trying to work out a public benefit with a development that's higher than what would appear to be a clear from the rules to me nine to one, what are we supposed to do? That's our job is to weigh in and try to make sure all of the various interests are balanced. And somebody said, everybody has a special interest. And I agree with that. And our job is to balance all those special interests. It isn't just to cave to one side and say, yes, you can have whatever you wanted. We have a lot of goals that we have to achieve here and it is not -- I appreciate the part of the proposal that commissioner Saltzman is making that scales this back to a nine to one. But he specifically made clear that he didn't want to disallow the transfer of these f.a.r.'s and I think that's a mistake. Not that I would oppose that but I would to make sure we have some conditions that provide for a public benefit for the community if and when we do that.

Sten: I am sorry. I do think that's what the code says. When it has to better meet the goals of the central city plan than the existing f.a.r. And I think that the standard is that I think -- I think our

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staff missed that in their review of that. Because this was really ok, can you find a way to transfer it? Yes, there's a mechanism that allows you to transfer. I'm not against that. But that it has to better further the goals of the central city plan. And that's - -

Leonard: That's not what commissioner Saltzman said in making his motion.

Sten: I don't think his motion speaks to that.

Saltzman: My motion doesn't really speak to that.

Leonard: But you specifically said you did not want to limit the ability to transfer f.a.r.'s. I heard you say that explaining your motion.

Saltzman: I think if we do that what has to be a larger public policy discussion.

Leonard: Can you include that as part of your motion.

Saltzman: Sure. I am recommending denying 12 to one so, effectively denying the transfer from tri-met property but not on the basis because it doesn't achieve a public purpose. On the basis because I think it makes the project too big, too massive. I do think --

Leonard: How's that different from my interpretation. I'm sorry.

Saltzman: Because I think you are recommending a finding that transferring f.a.r. for the purposes of increased transit ridership and residential development -- I guess we are disagreeing. I think that is a public benefit. And I am not trying to -- I'm trying to keep it applied to this case only and if we want to take up the irk of transferring f.a.r. in general, what the public benefit test is, then we should take it up and it should be through amending our central city plan definition of public benefit. I think it's a fair discussion. I just think in this case, I'm not recommending we go there for the reasons that 12 to one --

Leonard: I'm a little confused at this point. I am hearing you say two things.

Saltzman: I'm saying on this specific proposal that we not accept the f.a.r. transfer but not on the basis that there's no public benefit associated with it but on the basis that it makes the project too big.

Leonard: Then you are sending the message, again, that to the development community that if you can go out and acquire these on the market, these air rights, these f.a.r. rights, you can come in and add them on top of whatever other bonuses are because you have acquired them. And --

Saltzman: I wouldn't want to rule that out because I think there is value.

Leonard: I want to rule that out unless there's a public benefit.

Saltzman: I think it's up to us to flush out the public benefit.

Leonard: Yes, I agree.

Sten: If I could make a friendly suggestion, the central city plan balances neighboring properties effect, affordability, transit ridership and the finding I am suggesting is simply the f.a.r. better does not meet the central city plan. You might feel that for a different reason than commissioner Saltzman and you doesn't have to monkey around with trying to define a public purpose. I think in the future the council needs to better define those public purposes to give more signals to this but there wasn't even an argument really made that this was a master plan. I mean with all due respect to the applicants there was never an argument made until this hearing about anything to do with the benefits to the neighborhood. It was really, that's what I think was at fault.

Leonard: Exactly.

Sten: We don't have to solve the question because I think the code does speak to this. I think there is a common sense interpretation which is that -- that there is nobody outside of the applicants for this project in portland that will argue an 18-story 140-unit building on the corner of goose hollow, the bigness the neighborhood is anti-density. I mean this is pro density. There's nobody in Portland who will look at the smaller version of this building and say, the council is -- what they are going to say these blocks start to build out at nine to one or 12 to one, oh, my god, I can't stand this. We are the ones out talking to the neighbors. We are pro density. So I think the central city master plan, if the central city plan is built out to completion will make a very dense city compared to what people

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are for. If we are going to go past that you have to show it's a better proposal. That's all I am saying.

Leonard: I am also very cognizant that Jeff Joslin has sent us a memo and he's asked us for guidance and I would like to make sure that this motion that Commissioner Saltzman is proposed in the context of this discussion provides with you that guidance.

Adams: I am not ready to make guidance yet. I want informed message to be sent and an informed precedent to be set and I am not tolling do it on the fly or so intertwined with a specific case.

Saltzman: I think Commissioner Leonard is asking for some commitment we look at this.

Adams: Absolutely.

Leonard: I would like to hear from him what that --

Saltzman: About the public benefit test.

Leonard: That would be before I vote.

Adams: To have an informed discussion.

Leonard: Yes.

Adams: About policy direction.

Leonard: You have heard the discussion. I am very focused that you have asked for some guidance, not just for yourself but for the design review commission. Does this discussion, this motion and the positive disposition of this promotion by Commissioner Saltzman provide that to you? Do we need to do something else beyond that?

Joslin: Jeff Joslin, Bureau of Development Services. I think Commissioner Saltzman got it right when he said that what's being discussed right now is to denial of the central city master plan. I think the message embodied in that is that the standard is very high for allowing such transfers and that this project, particularly the qualities of both the sending and the receiving site don't meet that test. I think the message seems, if that's the way the decision goes, seems that simple and that clear.

Adams: Is it possible for us to ask the design commission to come up with some -- to help shape the argument, inform the issue, shape the issue and come back to us with some guidance and recommendations that we can then take and put our own fingerprints on and pass? Is that a possible way to do this? I really think this is an incredibly important issue. And I support, as other do on the council, greater density, for instance, around station, rail stations. But I want this -- I don't want to set a precedent here in particular without having a much more informed discussion on this. Most of our time has been around -- a lot of our time has been and appropriately so this specific issue. I would like a forum and an opportunity and a process to have a discussion on the policy.

Saltzman: Independent of this.

Adams: Independent of this issue, right.

Leonard: From my -- to the extent that Commissioner Sten characterized this decision within the criteria in the central city plan with respect to housing, I actually feel pretty comfortable with that. If that's the -- if that's what the council is agreeing in the future will be kind of the lens through which your staff will view future projects. If that does what Commissioner Adams is asking.

Adams: It's not -- I don't think it's very useful. I don't think it provides a kind of certainty or direction to folks that are contemplating the kind of development and therefore development that might require these kinds of f.a.r. transfers. I don't -- it's nothing but upside to have the design commission to wrestle with that policy and come back us to. I don't see the problem.

Leonard: I think I heard him say this does provide guidance.

Adams: It provides guidance. Not enough or discrete or informed in my opinion.

Joslin: What a decision upholding an appeal would tell us is that a project with a transfer site where the transfer, sending site is preserving some public open space and the receiving site has augmented density next to this type of light rail facility, is not sufficient. And it tells us that the bar is somewhere higher than that.

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Saltzman: I think you are missing it jeff.

Sten: The argument I am making. There's sum total and it's a qualitative argument and you have to make the argument and the community can collectively make argument if the property owners next door and the neighborhood and the developer all in agreement. It will never get us to. But when it gets to a point where somebody says, hey, look, this really isn't right, then we have to look at it and you have got one commissioner who he is saying, I think the thing is too thick and too tall. That you can go this tall with nine to one. Nobody disputes that. That's the difference between south waterfront and here. It's not a height issue. It would never be appealable. It's the sum total of, it's a master plan bar that's been set. The bar is that to get the transfer, you have to have a master plan for the sites and I think that speaks to the sending site, the receiving site, and it's the place at which discretion has to be used. If you follow the central city plan, and don't ask for something that needs discretion you get it and it will make the city very, very dense. I'm not arguing the planning commission has got it exactly right. It's when you want to go past that there has to be some call at this tie review. It's not as simple as this site isn't good enough. It's a judgment call. Does this better meet -- the test that's in the plan, in the code does this better meet on the overall meet the goals of the central city plan? That is the test and it either does or it doesn't. It's not black and white and developers know they take some risk when they propose that it does.

Adams: I agree. I'm not suggesting it become black and white but I think we can provide, with the discussion informed by more research and consideration, more thought on this, that we can provide maybe more discreet direction than what you were, what you might take from this discussion up here today at 5:30.

Sten: I agree with that, actually. I think some sense of what would in this council's opinion meet that or maybe becomes code that says these things automatically get you there but that's a big conversation.

Potter: And I think that if we were to separate out the ruling necessary to determine this issue and then take the other issue on how we provide the guidance to the planning bureau, design review commission, so that they have a clear understanding of what our expectations are in that regard, that would be easier than trying to assimilate all five positions right now if we were just to take it to the actual ruling that's necessary to complete this. I think your first two items did that. Didn't it?

Saltzman: Yes.

Potter: Could you read the first two items.

Rees: City attorney. I need to speak to a procedural issue.

Potter: Yes.

Rees: Commissioner Saltzman correct me if I am wrong. Essentially what your motion does is deny the central city master plan. They can do nine to one as of right. They have six to one plus the bonus. If we do not develop findings for that denial that wouldn't have happened when you remand it to the design commission because that would not be part of their application. I am trying to think of the appropriate options here. The cleanest thing to do is to simply deny the application, force them to come back and reapply. I understand that you have a desire --

Saltzman: I don't want to do that.

Rees: One other option may be develop the findings and waive their application fees because you believe they have put all this effort into it and you wanted them to be able to reapply with the nine one.

Saltzman: I don't think I'm overturning the central city master plan. I think I'm simply or we are exercise the council's discretion to deny this particular transfer application based upon the attributes of the project. On the attributes of this particular project. Too big, too massive.

Rees: I am concerned that without findings which would not be developed if you are simply remanding it to the design commission that we would perhaps have difficulty in defending, if someone were to say challenge the determination on the ccmp. And so I am trying to think of

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options because as I have said the code does not specifically provide for remand to a lower body. It does not prohibit it. It's something we have done before. I am trying figure out how we cleanest do that and still provide -- you want for the applicant.

Sten: Can I make one suggestion? I do this think it would be clean and I would support denying it and waiving fees and expediting. The other way I could see to do it would be to remand it to the design commission that everybody -- they send it back us to with anything but nine to one it's going to be turned down fully.

Rees: Give them the option.

Sten: Everybody understands --

Rees: Well, except your option says they night do. If you are remanding with maybe you can come up with public benefit month that might meet council's intent.

Sten: I am suggesting it's a remand but --

Leonard: I'm not understanding why we wouldn't deny uphold the appeal and then waive their development fees. What's the objection to that?

Saltzman: I think that sets the project back from a time line point of view and I think it also creates the opportunity for perhaps mischief if all the reasons, if everybody is saying they really want to see this project happen, let's see it happen and let's not take the chance that market conditions could change, that would somehow make this project evaporate. And I think with more time by a resubmittal, you are doing that.

Adams: Jeff, do you have any thoughts?

Joslin: I think the burden of a resubmittal is modest. Really given the process that's come to date, the fact that they would be going through a substantial redesign process, that takes time as well, they could resubmit an application and get that part of the bureaucratic process going tomorrow.

Saltzman: How long would the bureaucratic process?

Joslin: As soon as they were ready with the complete reapplication, redevelop the design we could establish a hearing and move forward just as we would regardless of whether it was a remand or this new application process. I don't think it costs them any time.

Saltzman: Unless the hearing brings up new concerns or new issues.

Joslin: Regardless of any remand or new application.

Potter: This is a discussion with staff.

*******:** I just had an idea for commissioner Saltzman on what he would try to do suggestion if you thought it would help.

Saltzman: Sure.

Potter: We will get both sides.

Saltzman: Let's keep it with staff.

Potter: Do we have a statement that we can use as a motion then?

Saltzman: Remand to the design review commission with instructions to the commission and the applicant that the f.a.r. shall not exceed nine to one on this project.

Leonard: I am hearing concerns from the city attorney. I mean, what --

Adams: Reply it sounds like --

Leonard: Uphold the appeal and waive the fees and --

Adams: Expedite the process?

Joslin: All our processors expedited.

Adams: As expedited as the law allows.

Leonard: I'll vote for that if it means anything I will vote.

Saltzman: You are saying not deny the appeal but --

Leonard: Uphold the appeal. And.

Sten: Deny the application.

Leonard: And we will waive the fees and the process will --

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Saltzman: I guess, you know, if that's the will of the Council but to my mind, it sends a signal to do applicant that you could potentially be forced to go back to square one whereas I think we have a pretty good design here that achieves --

Leonard: I think you are hearing that's not the case from the staff.

Adams: Commissioner, I need to rely on linly. If linlys got that look on her face like it's a legal problem to remand it then I need to know that.

Rees: I don't -- I think it would be potentially less of a legal problem to remand it without the nine to one piece. What I am saying to you is, if you do what is essentially a denial of the ccamp without adopting findings, denying it, that could be legally problematic.

Saltzman: And it's clear from our discussion to the applicant presumably and the design review commission.

Adams: Painfully so.

Potter: If we went with number five sounds like that's what we are saying. Support the appeal and deny the application based on the central city master plan approval criteria. Isn't that what you suggested, commissioner Sten?

Sten: yes.

Saltzman: My five is different than yours.

Leonard: Mine is too. Mine says --

Saltzman: I think but if we deny the application that means it has to go back to ground zero.

Leonard: You are hearing that's not the case.

Potter: But the instruction.

Sten: Let's take a vote.

Joslin: I would also add --

Potter: We have to have something to vote on. He's made a motion.

Sten: It's been seconded.

Rees: And no matter what you are voting on today unless it is a full remand to design commission if there's a need for development of finding it will be a tentative vote with setting a time for bringing findings back.

Leonard: I will move to amend commissioner Saltzman's motion with number five in jeff joslin's august 22 memo.

Sten: Second.

Potter: Read that out please.

Leonard: Number five reads as follow. Deny the proposal based on --

Saltzman: He has a different five than we do.

Sten: Read your five because that's the motion that's been seconded.

Adams: This five.

Potter: Can I see that?

Adams: Absolutely.

Leonard: Let me make sure.

Joslin: It's issue seven, number five. That may be the confusion.

Potter: This one says support the appeal and deny the application based on the central city master plan approval criteria.

Leonard: That's my motion.

Sten: I have already seconded it.

Adams: We already have a moved and seconded motion on the floor to begin with.

Sten: It's an amendment.

Leonard: It's an amendment.

Adams: Amendment to the motion.

Leonard: If it passes it's passes and it's over.

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Adams: We are going to taking a vote on the amendment to the motion.

Potter: Call the vote.

Adams: Aye.

Leonard: I had a long speech here but i'm tired. Aye.

Saltzman: Well, i'll support this whatever number five. Wait, hold on. We are going with the number five the mayor --

Adams: Number five from the august 21 memo from jeff joslin.

Potter: I think it says the same thing.

Saltzman: I will support that motion but I do want to clearly state that I do not think the -- I think there was a public purpose associated or public benefit associated with the 18th and morrison transfer of f.a.r. But and I think that's part of my intent. Aye.

Sten: Aye.

Potter: Aye. [gavel pounded] now we vote? Or is that it?

Leonard: That was it.

Sten: That's the amend.

Rees: That was the vote on the amendment.

Leonard: Yeah.

Rees: It's tentative and we need to set a date with sue for --

Leonard: Don't we vote on the main motion now?

Rees: Do you that first and then we set a date.

Adams: You can give your speech.

Potter: Did I hear a motion?

Leonard: The motion. The motion is what we just proposed.

Potter: Call the vote.

Adams: I want to be clear that my vote does not set a precedent on the larger policy issue of transfers of f.a.r. from noncontiguous properties. I look forward to an informed discussion with the input of the design commission and other professionals on how best to provide greater certainty up front on what we view to be the appropriate policies around the -- I think this is -- and the design of this particular development is fantastic. And I hope that there's still a chance for a full block development. But this particular position by the council ensures that the developer can move forward if there is an agreement among the parties. I do agree with -- I understand the frustrations in terms of ted's comment, and other comments that, that the applicant has played by the rules. The developer applicant has played by the rules but I also agree with commissioner Leonard that this is a rule in the last 15 years that has been up until today used only once and it was not used to the degree that it is been proposed here and it is our job on rules that have not been interpreted to provide the kinds of interpretations necessary, the design commission took a crack at it and we are disagreeing with them to a certain degree. I also think it's really important that when a building changes from an f.a.r. Of nine to 12 that consultation with the neighborhood at that point is really important going back to the neighborhood for consultation is really important. Hell hath no fury like a neighborhood surprised and I think here the neighborhoods were surprised at point that things changed but consultation didn't -- there wasn't consultation necessary to go back to them. I personally would like to leave open the noncontiguous f.a.r. transfers. I do think that taking -- so that's one piece. I think there should be policies around it. I have said that. In terms of transferring just by way of example f.a.r. from the plaza in front of the civic apartment building to something like this untrapping that kind of f.a.r., I am interested in being able to unlock the potential f.a.r. that might currently hover over public space, in this case, public court yard and applying it to something so we can realize potential. And I am very interested obviously in avoiding trips in the central city and this kind of land use, land use density or building density around stations, I think, is really important. In terms of the public benefit, part of what I would like to hear back from the design

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commission, is what other cities get. What do they ask for and what do they get and under what circumstances public benefits beyond just helping good projects move forward. It seems like there are other people that are ahead of us in that regard. And I guess the other things I would say is we do need density along light rail stations. And you are not the only neighborhood -- it's not good density and it is our job as a city and city council to help scope the profile of the city. I thought that was a good quote. And we are going to have to take more density. We are having these discussions with almost every neighborhood around the city. And that is how we are going to remain a vital city and keep the -- help keep the urban growth boundary so with that I want to thank everyone who's been involved, the professionals on both side of this, all sides of this including the neighborhood have been fantastic. I want to thank you, jeff, and your team. I vote aye.

Leonard: I want to make it real clear with respect to doing development in the city of Portland, for anybody that does work here, they understand part of the rules in the process of the city of Portland is to make sure that the neighborhood is involved in the development. And to the extent that you don't do that and you don't understand part of the rules are, the appeal right of a neighborhood to the council to make a decision, then, you don't understand that that's all of the rules. That is the rule in the city. So I think I have a different view than a couple of my colleagues about the encouragement of these f.a.r. transfers as they have been proposed in this particular project. I don't reject them outright. I do think and maybe this goes back to my old negotiating days, I do think we ought to get something for them. I think the public ought to get something for it. If you have a clear standard, with a clear standard that allows an automatic three to one addition to that by right, you should get that. That's a fair deal. If you are asking for something more than that, there has to be a quid pro quo from the school of thought, I was trained in, and I didn't see that here. And what has been characterized as that is not what I would consider to be a public benefit. So I liked very much commissioner Saltzman's kind of characterization of how, of what the kind of filter should be for staff in the future. I agree with his approach very much. I hope that helps you, jeff. I want to say once again and I don't, you know, falsely lavish praise on you and so I hope you take this very sincerely, I do appreciate your hard work on this. And you guys did exactly what I have asked you to. I have been creative and thoughtful and you haven't done anything but what I have and to expect of you and that is first class work. Thank you. Aye.

Saltzman: I am going to vote yes but I guess after we do this I would like to come back to the issue of waiving fees for resubmittal. We did talk about that.

Leonard: We will do that. I commit to you we will do that.

Saltzman: Good. Aye.

Sten: I do again want to compliment all of the players on the various sides. This is well argued and well thought out and I think the reason Portland is a great city people pay attention to details. Whether they are architects, planners, lawyers, neighborhood activists and this is a tough decision and I was going to vote against an argument I thought was pretty good. The fact we are in this level of argument about the difference in this building, I think is to Portland's credit. Although it probably doesn't feel that one on one side right now. I think I have made my views on the interpretation of the code as clear as I can. If I have not it's not going to get any better by talking longer so aye.

Potter: It's clear council wants to provide clear direction on the issue of transferability. What that means as wells the public good. I think both of those areas are ripe with a lot of opportunity for us to sit down with folks and provide that direction. I agree with the rest of the council in terms of supporting the appeal and supporting the application and all of the conditions have been said before so I will say aye. [gavel pounded] we are adjourned until 2:00 p.m. tomorrow.

Rees: Mayor. Mayor. We still need to set a time for coming back for findings.

Potter: What's the date?

Parsons: Ok. The next time we could, if it's enough time for you that would be september 6.

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Rees: We need actually the attorney for the prevailing party or the prevailing party because they prepared the findings.

Potter: Mr. Powell you are referring to?

Rees: I suppose. He would coordinate preparation of findings.

Potter: He is prevailing, isn't he?

Saltzman: I guess.

Potter: Jerry.

Rees: We would need generally when council denies an appeal the prevailing party prepares the findings for council, brings them back in a certain amount of time so we are trying to figure out a schedule for bringing back findings. Three weeks? Sue, do you have a time in three weeks?

Parsons: We have the 20th would be the 6:00 session --

Rees: Don't do that. Do it the week before then. We will do it quickly. That would be the 13th. At 2:00.

Rees: Fine with everyone?

Potter: 13th at 2:00. Is that ok?

Rees: Thank you all.

Potter: Thank you. [gavel pounded]

At 5:40 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.

AUGUST 24, 2006 2:00 PM

[Gavel pounded]

Potter: City council will come to order. Sue, please call the roll.

Adams: Here.

Leonard: Here.

Saltzman: Here.

Sten: Here.

Potter: Here. Please read the item.

Item 1139.

Potter: As you folks know, we had a fairly long meeting a while back where we allowed public testimony. Today -- and at that particular meeting, I had asked poem to be there. I have asked the Portland office of emergency management to come in today. I would like to give the neighborhood five minutes after the presentation by poem, and then the council will make a decision. So, patty, are you here? Excuse me, patty, we are having a little clarification up here. Please introduce yourself and then proceed with your presentation.

Patty Rueter: I'm patty rueter, office of the Portland office of emergency management. It is my job to advise you of the facts and the liabilities of this site. The proposed site is a high-risk hazard site. The hazards are, it's on the Portland hills fault. It's in lick question faction zone. It's adjacent to steep slope prone to mudslides, adjacent to Portland harbor super fund site, between b.p. And kinder morgan petroleum tank yards. It is where the gathering lines and the pump stations for statewide fuel transport occur. It is where highway 30 has limited access and egress. It is an active -- it has an active rail line with planned increase in traffic due to the cascade grain ethanol site in port westward area. It is where rail operation of freight and switching movements, storage and building and assembly of rail cars. It is where the rail system is 123 years old. The issues that these hazards bring to bear, it's natural hazards could trigger secondary impacts and multiply the results. Greater population, greater potential of loss of life and property. Petroleum gas is heavier than air so gases would stay in the area of the development. Thermal radiation as a result of flames that could result from a tank fire could burn skin to second degree burns within one minute of exposure. Mitigation planning includes long-term actions which ultimately create cost reductions when a disaster occurs. These actions lessen the loss of life, decrease the loss of property, and reduce the impact on government resources. The cost of a disaster is less when human lives are not a part of the equation. The cost of disaster is less when there is limited built environment in a hazard area. The cost of disaster is less when decisions are made to keep people out of harm's way and there by keeping response resources from going into harm's way. Mitigation actions include laws, building codes, and hazard management programs. We build facilities to seismic codes. We install security systems. We create defensive space between building and fostered lands. We raise buildings and flood plains. We require smoke detectors and sprinkler systems in high-occupancy buildings. We try everything we can to keep people from getting hurt and losing what they hold dear. Prudent and proactive planning takes into account the hazards of an area and makes decisions to protect people from injury and to ensure that the government can manage the protective actions needed. The linnton village plan public safety section acknowledges that they will need more citizen emergency

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training, more attention from fire and police, more understanding and participation in hazardous materials planning, and develop a fire protection program. In this admission they are already stating that city resources will be in high demand to protect the citizens that could move into this area. It also must be noted that the linnton plan was developed prior to 9/11, before higher security requirements were imposed on the petroleum and chemical industries by department of homeland security. The bottom line is that there are multiple hazards at this site that have potential of causing catastrophic consequences when mixed together. Earthquakes can cause fire and landslides. Floods can cause contaminated soil. The more traffic, the more potential for accidents. The more people in this area, the even greater potential for loss. You might say disasters won't happen here. And let's hope they don't. But it is my job to give you the facts so you can consider what if. Thank you.

Potter: Questions from the commissioners?

Adams: Well, I guess just an obvious question is the Portland fire bureau was in our last hearing, and provided -- made a presentation that was different -- struck my as different in tone than the one you are making. Can you explain sort of the difference?

Rueter: I think it is in philosophy. Of course, a firefighter is a responder and they are going to say, we will do whatever it takes. As a mitigation manager, we don't want to put people in harm's way. We want to decrease the amount of impact in the first place so that whatever it takes is less. So, yes, our responders will do the best job they can. But we don't want them to be maxed to the limit so that's why we are trying to mitigate these consequences.

Potter: Other questions? Thank you, patty.

*****: Thank you.

Potter: Would the linnton neighborhood association like to come forward and make a response.

Pat Wagner: Do I say my name? Pat wagner, linnton neighborhood association. I live at 2941 n.w. Newbury. We gave you all a booklet that outlined the safety of the -- could you bring this with you? That outlines how actually safe. In 40 years, the olympic pipeline, there's been three deaths. In 40 years since 1965 caused by the olympic pipeline. The tank farms are safe. Nationwide, there's standards called the nfpa 30 standards that are used across the nation. They are used in every state, and they are used in the city of Portland. The people rely on the city to set the standards. It is written into the zoning codes, the safety standards of the nfpa 30 standards. And linnton's project meets or exceeds all of the safety standards that are written into the codes. And, you know -- do you have anything to say?

*****: No. I don't.

Wagner: I have kind of a shock because before hand dan Saltzman told us that he is not going to vote for us. So it kind of took me offbase and kind of put me in a -- but I can tell you that there are 15,000 miles of pipeline in 40 years, there's been three deaths caused by it. In 40 years. Since 1965. The tank farms, if what you are -- if -- if you're thinking that the tank farms aren't safe, then, what you are saying is that all of the Portland safety standards need to be reevaluated and rewritten. Citizens rely on this stuff. We relied on it. We put years of effort and energy into it. And either you are saying that the standards aren't safe, or they are safe. And or that linnton has to live up to different standards than everybody else. And I would hope that you are not saying that. When the fire and all of that stuff that you hear about from the working waterfront coalition, those are things that happen in different countries that don't live or have -- don't use nfpa 30 standards. Go ahead. At the tank farm fires that did occur in the united states, there were no civilian deaths in the last nfpa 30 standards thing that was put out, caused by the tanks. Dan?

Dan Dishongh: Nfpa 30 standards have been in effect prior to the linnton's plan being evaluated and being put together. The number of deaths that occurred during one of the worst tank farm fires that we ever know is zero. And the standards of foreign countries that tank farms are not adequate or not to our standards. And just yesterday, we were at valoro and they bragged about how safe the

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tank farms are, the petroleum industry brags about they stand on their safety. Of how concerned they are about safety. Vapors, vapor recovery systems in their facilities. And if you look at kinder morgan's website, the environmental website, they brag about how safe it is.

Wagner: And about the gas vapors. Gas vapors are heavier than air and they seek the lowest point. They would go right down to the river. They would not willing over the development. According to john clum, the fire marshal, he said there was a breach in the tank farm containment wall gas and vapors could leak out. A dirt wall with grading boarding the development could contain the vapors offsite and diverted them to do lowest point which is the river. You said the ricks as a result of the -- he said the risks as a result of the injury and the linnton area would be classified as low frequency, high risk. He said that there were other locations throughout the city -- many -- that are low risk -- low frequency, high risk classifications. So this area is not much different than other places throughout the city such as forest heights, places like that. But i'm sorry that you were not able to take the time to meet with us, mayor Potter. But I do appreciate you having veronica meet with us. Thank you.

*****: Just please vote for us.

*****: Yes.

Potter: I am going to hand the gavel to commissioner Saltzman. And I am going to make a motion. I make a motion to not accept the planning commission report and no further action be taken to pursue changing the comprehensive plan designation or zoning for the area in linnton between the railroad and the river.

Leonard: Second.

Saltzman: Motion and seconded. Discussion.

Potter: Please -- go ahead.

Leonard: You gave him the gavel or not?

Potter: I did. I did. Hard to break a habit.

Adams: I know what you feel like. [laughter]

Saltzman: You made the motion and it's been seconded so we can now if there's no discussion we can move to roll call. I'll give the gavel back to the mayor.

Potter: Whew.

Adams: The issue of the neighborhood plan -- sorry. The issue of the neighborhood plan came to my attention about five years ago as mayor's -- mayor vera katz's chief of staff, I would often attend neighborhood meetings without prior notice to them to get a sense of what was going on in the community. And at my attendance at the linnton meeting, and I really tried to focus on neighborhoods that were not necessarily getting the attention in city hall or at least weren't on the radar screen at the center of the radar screen in city hall and so linnton was one of those neighborhoods. And at that particular neighborhood sitting in the back row and they didn't know who I was, and I did not know many of them, I heard of a neighborhood that had significant challenges related to highway 30, related to, at that time, school bus closures or services that were going to be cut by the Portland public school district, speeding on german town road, and speeding on highway 30 through the main village of linnton. And the desire for them to move forward with their neighborhood plan. The city at that time was getting out of the business of doing neighborhood plans. But this and a couple of other neighborhood plans in the city were sort of in process and they asked me for help. And they asked me to take a position on the neighborhood plan. And I talked to my boss at the time, to see if she had a position on this. And at that time, she did not since the issue had not been before the city council. And I asked her, since this neighborhood wanted my position on it, being good advocates that they were, I asked my boss at the time if that was ok with her to look into it and to at least tell her what I thought the direction should go. So at that time, I did the due diligence, a lot of the due diligence that's been done now. I did talk to representatives of the northwest industrial area, including the leader at that time, because

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even then, the notion of taking land out of the industrial zones was subject to a lot of questions. And I did speak with that individual and that individual did back up the claims of the neighborhood association that they didn't have an issue with the linnton plan's vision. And I made a commitment at that point -- and did a certain amount of due diligence, both with the owners within the area that we are talking about next to the river bank, did walk the site, did ask lots of questions about safety issues. And after that, based on the information I had at the time, I supported the neighborhood plan. There have been some changes to the neighborhood plan since then. But they are not to the degree that would cause me to change the promise that I made about five years ago. I have talked about certain conditions for actually implementing the plan that the neighbors are aware of. One is that we would be really clear in the covenants, whether it's cough nantz or on the deeds with people that might choose to live in the nearly rezoned area that it would be very clear that they were purchasing property in an area that was different than other areas of the city, explaining the potential hazards of colocation with industrial areas, and industrial potential noise and potential limbs on transportation. Those conditions of having covenants on the deed did not seem to be an issue with the neighborhood. The other is a commitment that I would seek to make up for the loss of industrial land and tried to make up for it with comparable new i.g. zoning somewhere else in the city for the land that would be taken out of the industrial zones. So with those conditions at the time, I have carried forward, I need to stick to the promises that I made to the neighborhood. And I will be voting no on this motion. No.

Leonard: The hardest thing I ever did in my prior professional life was the time I spent in fire marshal's office going into businesses and apartments and asking people to do things they didn't want to do because it cost them money, and I knew I was doing it in order to prevent something bad from happening. That has never been an easy thing to do. In 1982, I was just sitting here thinking about some of those experiences. I ran across, in that capacity as a fire inspector, the monastery that sits above the grotto that the servite order of the catholic church uses actually as a retirement home for priests from around the world. And most of you probably haven't seen it. I had grown up in that area and had never seen it until I actually stumbled across the address on a map I had, and sought it out. And as I drove up to it, it was italian medieval era monastery construction. Not as old as italian medieval monsters but it cooks as if it was it could be build in the 15th or 16th century and as a matter of fact it was designed to look that way. There was nobody there at the time so I was just in uniform so I let myself in and began looking around to do a fire prevention inspection. And as it turns out I wasn't the only one that didn't know it was there. No other fire inspectors had ever known it was there either and it had never had a fire inspection. So as you can imagine when I walked through it there was beautiful art, there was beautiful architecture, it was well kept, pristine even, but what I noticed was it didn't have a second exit and it was four stories high. I noticed cigarette ashtrays by the beds along with -- in keeping with some of my best friends' of the catholic persuasion, along with unopened cases of various kinds of alcoholic bev rances that led me to believe I think reasonably that there was some drinking and smoking going on in bedrooms. There with the retired priests. And though at first appearance it might have seemed as though I was being overly harsh in my analysis of the lack of fire protection devices, I knew in my mind and in my heart that allowing a priest to sleep there even one more night would not be something I could live with. So I actually at that time, and it was around -- there was a christmas tree displayed in their living room. In a very grinch like mode I had to ask them to vacate the premises that night. And it was believe me, not a very -- it was one of the most unfun experiences of my life, to actually have to have some of the priests who were bedridden moved to another place because it wasn't safe. Since i've been here, I would, for instance, almost instinctively endorse commissioner Saltzman's proposal to cover the drinking reservoirs. Because once again, though I know it wasn't popular with the neighborhoods, I knew commissioner Saltzman was doing it for the right reasons. I still think he was proposing it for the right reasons. Because once again, it's a very difficult thing to explain to

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people who haven't experienced a tragedy why you do certain things so it doesn't happen. Maybe impossible is a better word.

Sten: That's right.

Leonard: When I was in the legislature, I worked on a bill cosponsored a bill, I actually talked to the neighborhood association about this -- relative to tsunami zones along the Oregon coast and that bill that passed prohibits fire stations and public schools from being built within tsunami zones. Again, in order to prevent something bad from happening. So that brings us to this instance. In this instance, I have met more with the representatives of this neighborhood association than I have any other single individual than I have been on council. And I don't know that I've met with the other side at all. I do not believe that I have. If I have, I'm not aware of it. My sense is this and I think the Portland office of emergency management captured it. Is that there is a little bit of confusion between what NFPA requires, 30 standard 30 requires and there's neighbor of NFPA standards, in this instance, number 30 applies and what is safe. It doesn't necessarily mean that because you build something to meet that standard that it is the best circumstance to have somebody live within or even close to. And thus in this whole field of emergency services has been this science, if you will, of all of mitigation and mitigation is simply a term that means that you try to do something in advance to avoid something bad from happening. So you never know how bad something can be because you don't ever put yourself in a position of having that happen. So, for instance, in Johnson Creek, watershed corridor, while according to our NFPA standards you can build a house in there, we actually have codes that allow that to be done, we have a mitigation standards as a city to not have that happen. To avoid something bad from happening. So we actually buy out property. We tear down houses and we leave it vacant so that we mitigate the chance of that happening in the future. Very standard approach in mitigation. I -- I have -- my sense is here that the neighborhood has done a masterful job at articulating why this project meets the codes. And I compliment you. I mean, I am certified in NFPA code enforcement and you have never misquoted them once. So I appreciate the diligence with which you have done that. But as somebody said here yesterday at an equally contentious hearing, hey, guys, everybody has an agenda. Of course we have an agenda. Don't criticize us, and this was a testifier, because we have an agenda. And that's right. There are a number of agendas that, and there aren't just two, by the way, that are rotating around this issue today. But it is our job to balance those agendas. And my job, my first job is not to represent industrial concerns or business concerns or people who have a financial interest. My first job, everybody up here's first job is to protect the safety of the citizens of Portland. Everything else follows after this. And I consider this vote today to be a primary responsibility of mine. And that is, it may not be popular and it certainly not going to get me a lot of support in Linnton but I know that my job, at the end of the day is to make sure that I don't do something that some day could put somebody in harm's way. And I am convinced that at some point at some place, when the stars align and the weather conditions are right and the right series of mistakes begin to happen -- because that's how these tragedies occur, not because of faulty construction standards but a series of mistakes that nobody anticipated could happen -- happen, somebody's going to get hurt or worse, killed. And I cannot agree to allow that to happen, as much as the political side of me would like to say yes. I cannot. No. Yes, I'm sorry. As much as I would like to say yes to the neighborhood, I cannot disagree with the mayor's motion. Aye.

Saltzman: Well, thinks an issue that I've thought a lot about, at least over the last couple of years. I have met with Linnton residents many times out in Linnton, in my office. I've met with representatives of the other side, if there is another side. And ultimately, I think that, if I were to act on emotions, I want to support the Linnton neighbors because they worked long and hard, and, you know, they do deserve something more in terms of a vision. And they have done a great job of representing this vision, dealing, as Commissioner Leonard said, they have become experts on safety standards and safety arguments. But I ultimately feel that my job is to look at this from the city

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wide perspective also. And what gives me most concern with the proposal to change the zoning to e.x. is, I have no doubt, having spoken with Homer Williams, that residential commercial development would occur. It would occur. This is a choice piece of property. But should it occur is where I can't agree. And I can't agree because of two primary reasons. First, the safety issues as have been alluded to. The limited access into and out of this site continues to bother me. Not just for the safety of potential residents there but also for the safety of first responders in the event of some tragedy. I also think that while individual risks themselves may look small, the accumulation of risk surrounding this property east of the railroad, I think is considerable. So the safety reasons are certainly one reason why I can't support the idea of having residential development down there.

I do believe, and my other reason, though, is that I do believe at this point in Portland's circumstance, in this point of our economy, we can't be turning our back to industrial lands that have the potential to create good, solid, well paying jobs with multiplier effects throughout our economy. I share the frustration of many that nothing seems to have happened there recently. But I also think that, you know, I think the land does have potential for industrial development. Can create good paying jobs. And at this point in Portland's economy, we can't, we can't turn our backs to that fact. And I think that the need for jobs is much higher priority at this point than additional housing and commercial development that will primarily attract more affluent residents of our city or to our city. So as I said, I will not support the e.x. zoning designation, the planning commission's recommendation. But I do support connecting the residents of Linnton to the Willamette River by the way of Northwest 107th. I do support a publicly accessible greenway along the Willamette. And I do support improvements along Highway 30 to the business community along Highway 30. And I hope and I urge the Port of Portland, the P.D.C., our planning and transportation bureaus, as well as the vested business interests, to identify realistic improvements to Linnton's livability and business environment and to come back to Council with a price tag for these measures. If they are realistic and they have support from the community, I will support public funds for these measures. So I vote aye.

Sten: Well, this has been a tough case and it still is for me. There's been a lot of good arguments on both sides and I think there -- you're always looking for a compromise. I don't think there's a great compromise between the two different sides. I think the Council motion today, which I am not going to support, is a fundamental misread of what the planning commission said, and I think we're the majority is about to hopefully not -- I hope my name is wrong -- but to abandon this property to another 10, 20, 30 years of neglect. I don't find the case from the industrial coalition overwhelming that this is likely to be redeveloped any time soon. I was on the Council, when which is a burden I carry when the industrial community said to Linnton go ahead and work on this project. You have every right to change your mind but five years later we have all of a sudden this site which nobody has made a move on, is incredibly important and valuable, and it may be -- and I may be wrong and I hope I'm wrong because I would like to see it get used but I think it's going to sit there for a long time and I go saying the industrial community, let's go and find something to do if you win this vote. I am not 100% convinced residential works here but I am convinced it needs more work from the planning commission. The proposal asked to work on a comp plan change. And the way a comp plan works is that it gives somebody a chance to go for a zoning change if they can show the infrastructure and safety things are in place. And to be honest, I found a lot of hyperbole on this site. I found a lot of people making claims about safety and it's completely unsafe or completely safe and I didn't find either to be credible. I found it looks to me like an urban site that's very challenged and needs a more creative thought process that the planning commission and planning bureau ought to take to it and what's happened over the last few years and I think the Linnton community, this is not an industrial site in isolation. It's the center of essentially a little town that's gotten the shaft from this community for a long, long time and I think the message now is, it's going to stay that way. There was an argument if we gave some more creative development an

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opportunity to find out the infrastructure, and the truck to me includes looking at the longshoreman covenants that say there go not be changed across the river. The overpass. It may not be achievable. When I went and walked the site I think it's going to take a lot of work to get an industry down there rather than the places marketed on front avenue that are much more -- I took the fire boat out there. It's not the deep water port I was told it was. It's a site that has a ton of challenges. I took a depth finder out there and so I just think this is a site that needs a new strategy and what we are doing is walking away from it. And we are walk you eight way I think from a community that deserves better than that and I think we should be able to get a more creative approach. Whether housing can work or in the i'm not 100% sure but we can take a deeper look and I think the planning commission would have given the market a chance to do that. I actually -- there was also a lot of conversation -- I think it's passionate on both sides. That is symbolic vote. I reject that completely. I have a 10-year history of defending the industrial sanctuary many as you're housing commission are there's lots and lots of requests to change housing and I think we need to protect it but I don't view the act sons of the sport and industrial community taken a a-as a whole as sending message that you sent on this land use case so from here on out. Let's see if there's going to be a coalition that will market this. Let's see if we can get a coalition to clean it up. Let's see if we can do it. There was also an argument that was compelling if you give the comp plan approach a chance to work which is all I am supporting at this this point, give them a chance to show they can provide the infrastructure or not, not say it goes to housing or anything else that you are going to drive the land value way, way up. I don't know. As I reviewed market I don't find that compelling. I actually have pretty good information on what a housing offer offered contingent to the plan approach and the industrialist everybody was talking about offered and they are basically the same number. And so I think the land is kind of what it is now. It's 35 acres. It's not worth all that much per acre. And I just think we need to do some more work. So when this motion loses, perhaps the different players who have prevailed can put their heads together and come back to the council and give us some ideas on how to make this work. Because I do think the market could turn this into something. I think it could turn it into something that was -- that was safe, whether that was a mix of business and residential, strictly business, something lighter. I think the market could do something with this property. But I don't see any evidence that the market is doing anything with the industrial zoning that they are not entrenching other than keeping an eyesore in front of some people who don't deserve that. I think the council has walked away from a problem when it wasn't solved and I think the planning commission gave us at least an idea of how to move forward on this. And that it's a mistake to entrench this zoning in place without a better strategy. So I vote no.

Potter: Part of the challenge of sitting up here is sifting through proposals that matter so much to individuals who truly care about their neighbors and their neighborhoods. And trying to find out what is the best path for the community as a whole to take. Often it's a humbling experience because we know that there are seldom one single right or wrong answer. And I know how deeply the people of linnton care about their neighborhood. And how hard they worked and continue to work to make ate special place. It is my in my brief time as mayor, I haven't met a group of folks who have worked as tire lesley for a dream as they have. But I firmly believe that this is one of those times when there is a right and a wrong answer. I cannot support any proposal in which I am asked to put families in harm's way. I believe this proposal does just that. We are being asked to place as many as 900 families in the midst a perfect storm of hazards and I cannot support that. While these 35 acres offer the promise of an economic life line to some, they sit next to a 100 year flood plain, in a lick question faction zone next to a superfund site along busy gas and railroad lines and between two tank farms with the capacity to hold approximately 40 million gallons of gasoline. Any one of these dangers give me serious pause. Together they overwhelm this proposal. And none of these problems is mitigated by placing hundreds of people in their midst. In 2004, Portland western railway sent over 17,000 railroad cars through linnton, one in five filled with hazardous

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materials including petroleum and sodium chloride. The company projects the number of railroad cars either crossing being stored or switching at the site will double in the near future, which much of the growth coming from a proposed ethanol plant or proposed natural gas facility. 65% of the petroleum that enters Oregon flows through the olympic pipeline in linnton carrying 5.7 million gallons of gas every day. If something happens, how do we evacuate people from a place with only one road in or out? Does anyone think a mass evacuation using the willamette river is realistic? And not only would we protect these families but how would we protect the public safety officers who would be called on to help them? I know there's never been a major industrial accident in Portland, which is caused evacuation fatalities, but I am not a gambler. I know accidents and fatalities have happened elsewhere, I know that railroad cars sometimes derail, it will take only one catastrophic accident right here to show us that building homes on this land was not the right thing to do. Unfortunately, by then, it would be too late. Our city charter clearly outlines the duties of the city council. One of those duties is to "secure the protections of persons and property." that's very specific and I believe that's what we must do here today. I disagree strongly with commissioner Sten who said that we are walking away from this issue. I think we are confronting it face on but I think we are doing it very -- with the intent to protect the community. But I also want to give notice to the working waterfront coalition that I am going to be meeting with them and expecting to see some movement on rebuilding and placing businesses in that area and for industrial purposes. I open myself and I offer myself to the linnton community to come out and meet with you to find out what our planning bureau and this city can do to help you with what you wanted to do and that is to build a real community, one that was torn apart by u.s. 30. All of us have been out to linnton, and I was -- the linnton folks were kind enough to give me a guided tour one day. And they often brought along darcelle to help make it even more interesting. And I learned a lot. And I learned about the people of linnton and what strong people they are. And I don't make my decision lightly but I do make it with firm resolve. Because I truly believe that in the long run, this is the best interest of that community and the city and the people who might have lived there. I vote aye. [gavel pounded] council is adjourned.

At 2:43 p.m., Council adjourned.