



CITY OF
PORTLAND, OREGON

OFFICIAL
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 9TH DAY OF JANUARY, 2002 AT 9:30 A.M.

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

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

Commissioner Saltzman arrived at 10:00 a.m.

Item No. 37 was pulled for discussion and on a Y-4 roll call, the balance of the Consent Agenda was adopted.

<p>33 TIME CERTAIN: 9:30 AM – Accept the Fair Contracting and Employment Strategy and direct its implementation (Resolution introduced by Mayor Katz)</p> <p>Motion to accept the recommendations: Moved by Commissioner Hales and seconded by Commissioner Francesconi.</p> <p>(Y-4)</p>	<p>Disposition:</p> <p>36050</p>
<p>*34 TIME CERTAIN: 10:00 AM – Approve contract for pay stations to Schlumberger Technologies, Inc. dba SchlumbergerSema and adopt pay and display as the city-wide standard (Ordinance introduced by Commissioner Hales)</p> <p>(Y-5)</p>	<p>176191</p>
<p>35 TIME CERTAIN: 10:45 AM – Establish a joint Sustainable Development Commission with Multnomah County (Ordinance introduced by Commissioner Saltzman; amend Code Section 3.112)</p>	<p>PASSED TO SECOND READING JANUARY 16, 2002 AT 9:30 AM</p>
<p>CONSENT AGENDA – NO DISCUSSION</p>	
<p>36 Statement of cash and investments November 22 through December 19, 2001 (Report; Treasurer)</p> <p>(Y-4)</p>	<p>PLACED ON FILE</p>
<p>37 Accept proposal of Schlumberger Technologies, Inc. dba SchlumbergerSema to furnish pay stations for \$6,800,000 (Purchasing Report - Bid No. 100944)</p> <p>(Y-5)</p>	<p>ACCEPTED PREPARE CONTRACT</p>

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Mayor Vera Katz		
38	Approve the appointment of Lee E. Moore, Sr. to the Housing Authority of Portland Board of Commissioners for a five-year appointment to end January 16, 2007 (Resolution) (Y-4)	36049
*39	Authorize an Intergovernmental Agreement between the Portland Police Bureau and the Oregon National Guard (Ordinance) (Y-4)	176184
40	Authorize use of post-December 7, 2000 Civil Forfeiture Funds and properties deposited in Civil Forfeiture Trust Fund Account for general lawful municipal uses (Ordinance)	PASSED TO SECOND READING JANUARY 16, 2002 AT 9:30 AM
*41	Pay claim of Damon Woodcock (Ordinance) (Y-4)	176185
*42	Authorize a contract and provide for payment for the construction of Fire Station 16 (Ordinance) (Y-4)	176186
Commissioner Jim Francesconi		
*43	Contribute \$587,500 towards the purchase price of the Gentemann Property on Powell Butte in the East Buttes Regional Target Area (Ordinance) (Y-4)	176187
Commissioner Dan Saltzman		
*44	Authorize up to four grant pre-applications and applications for the 2002 Metro Greenspaces Program Conservation and Restoration Grants in the amount of \$40,000 each for revegetation activities (Ordinance) (Y-4)	176188
45	Consent to the transfer of Weber Disposal Service residential solid waste and recycling collection franchise to Portland Disposal and Recycling Service, Inc. (Ordinance)	PASSED TO SECOND READING JANUARY 16, 2002 AT 9:30 AM
Commissioner Erik Sten		

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<p>*46 Amend agreement with the Housing Authority of Portland for the provision of the Rental Assistance and Stabilization Program and provide for payment (Ordinance; amend Agreement No. 33836) (Y-4)</p>	<p>176189</p>
<p>REGULAR AGENDA</p>	
<p>47 Reject all bids to furnish refuse hauling services from public trashcans in downtown Portland (Purchasing Report - Bid No. 100956) Motion to have a hearing: Moved by Commissioner Saltzman and seconded by Commissioner Hales. (Y-2; N-3, Francesconi, Sten and Katz – Motion Failed) Motion to reject the bids: Moved by Commissioner Francesconi and seconded by Commissioner Hales. (Y-3; N-2, Hales, Saltzman)</p>	<p>ACCEPTED</p>
<p>Mayor Vera Katz</p>	
<p>*48 Authorize an exemption to the competitive bidding process for the issuance of a Request for Qualifications for electricity service suppliers and authorize the Chief Administrative Officer to enter into an agreement for the provision of electricity to City facilities, if it is deemed economically beneficial (Ordinance; waive City Code 5.33.320) (Y-4)</p>	<p>176190</p>
<p>*49 Authorize a contract with Battelle Memorial Institute's Technology Partnership Practice to assess specific aspects of Oregon Health & Science University expansion plan and conduct a preliminary evaluation of the bioscience economic development potential (Ordinance; waive City Code 5.68) (Y-5)</p>	<p>176192</p>

At 11:45 a.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 9TH DAY OF JANUARY, 2002 AT 2:00 P.M.

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

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

Commissioner Francesconi arrived at 2:03 p.m.

Commissioner Saltzman arrived at 2:04 p.m. and left at 2:15 p.m.

At 3:00 p.m., Sandy Duffy, Multnomah County Attorney's Office, replaced Kathryn Beaumont.

<p>50 TIME CERTAIN: 2:00 PM – Safety Recognition Day award presentation (Report introduced by Mayor Katz)</p>	<p>Disposition: PLACED ON FILE</p>
<p>51 TIME CERTAIN: 3:00 PM – Consider the LUBA remand of the application by Bureau of Parks and Recreation for a conditional use review with adjustments for the East Portland Community Center (Hearing; LUR 96-00430 CU AD)</p> <p>Motion to reject the testimony and the written documents received January 9, 2002: Moved by Commissioner Hales and seconded by Commissioner Sten. (Y-4)</p> <p>Move adopt Council order and findings supporting the conditional use and adjustments necessary for the construction of the East Portland Community Center: Moved by Commissioner Hales and seconded by Commissioner Sten. (Y-4)</p>	<p>TENTATIVELY DENY APPEAL; PREPARE FINDINGS FOR JANUARY 23, 2002 AT 2:00 PM</p>

At 3:45 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 10TH DAY OF JANUARY, 2002 AT 2:00 P.M.

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

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

<p>s - 52 TIME CERTAIN: 2:00 PM - Adopt changes to the Central City Plan to add a West End Action Chart, a West End Urban Design Plan, two new actions to the Economic Development Action Chart, one new action to the Transportation Action Chart, and the designation of an entertainment district to the Culture and Entertainment Map (Previous Agenda 1349; Resolution introduced by Mayor Katz)</p> <p>Motion to accept the substitute as amended to either delay action on Exhibit D or changes to Exhibit E: Moved by Commissioner Saltzman and seconded by Commissioner Hales.</p> <p>(Y-5)</p>	<p>Disposition:</p> <p>SUBSTITUTE 36051 AS AMENDED</p>
<p>s - 53 Adopt the West End Policy as an element within the Central City Plan and the Comprehensive Plan, and implement this policy through Planning Commission recommended revisions to the Zoning Code and to the zoning and Comprehensive Plan maps (Previous Agenda 1350; Ordinance introduced by Mayor Katz)</p> <p>Motion to accept the substitute as amended to either delay action on Exhibit D or changes to Exhibit E: Moved by Commissioner Saltzman and seconded by Commissioner Hales.</p> <p>(Y-5)</p>	<p>SUBSTITUTE 176193 AS AMENDED</p>

At 4:28 p.m., Council adjourned.

GARY BLACKMER
Auditor of the City of Portland

By Karla Moore-Love
Clerk of the Council

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

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Closed Caption Transcript of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

JANUARY 9, 2002 9:30 AM

* * * [roll call]

Katz: I'm pulling 37 off the consent agenda item because we've got to hear it with 34. Any other items to be pulled off the consent agenda? The audience, the council? Hearing none, a vote on consent agenda.

Francesconi: Aye. **Hales:** Aye. **Sten:** Aye.

Katz: Mayor votes aye. [gavel pounded] thank you. All right, we're at time certain, item 33.
Item 33.

Sue Klobertanz, Director of Purchasing: Good morning, mayor and council. I'm director of purchasing for the city of Portland. As you are well aware, the fair contracting and employment strategy was adopted by council in february '97. Following that we began work to implement the council directives. This report brought to you today is a three-year report and a look back to what we satisfied -- said we'd do and an actual report on what we did. It's also a look forward to the ongoing work we think is necessary to continue the implementation of the strategy. At the council work session in november, we went over this report in detail, so we're not going to do that today. What we're asking today is that you direct for continued implementation of this program. The mayor is often quoted as saying that on this issue of equality and race and ethic and en -- gender parity that there is no end point to this work, and we agreed and that's what the report today says. I'm going to stop here and turn it over to karen, the manager for the contractor development division in the bureau of purchases and she's going to briefly summarize the recommendations for you and also today we have a member of the mayor's fair contracting forum and one of our small business contractors with us and she's going to make a couple of remarks. With that i'll end.

*****: Good morning. As sue said, we came before you in november --

Katz: Identify yourself for the record.

Karen Primo, Contractor Development Division Manager: Karen primo, contractor development division manager. We came before you in november with a complete report, complete with the look back and recommendations for future changes. The majority of the recommendations were more administrative than anything else, but there were several that were changes in approach. And most of those centered around technical assistance and increasing technical assistance to include business assistance, as well as expanding some of the assistance to sheltered market contractors and access to sheltered market contractors to the good faith effort program. One of our major suggestions that we think is really great one is to extend and market the fair contract employment strategy programs to utilities, other government agencies and private industry. As you know we currently have intergovernmental agreements with a number of local jurisdictions that generates revenue for our programs and helps support the salaries and benefits of the employee who's do the compliance work and we'd like to extend that not only help support our programs, but it carries the messages that we want to carry that everybody in the city should be involved, and the inclusion of minority and women in both contracting and the work force. So we're excited about that particular recommendation. Basically today we're asking that you approve the recommendations as presented to you on november 19th and send us forward to continue the fair

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contracting and employment strategy. Thank you. I'm going to turn it over to rhonda for some comments.

Rhonda Herschel, President, Cherokee General Corporation: I'm president of Cherokee general corporation. I was a member of the sheltered market program for three years, '98 --

Katz: Pull the mike closer.

Herschel: '98, '99, and 2000. I just completed my survey for graduation, and was very interested to see the information that was on there. We probably proposed on seven projects I think through our life in the program, and of those we were low bidder on three, completed three projects. They were very successful, in my opinion. We hadn't done a lot of government work until that point so it gave us a good opportunity to step into the prime contractor role and the interaction with project managers and inspectors and learned the rules with prevailing wage, forced account, a lot of different item scheduling. It was very beneficial to me. I think the company grew, gained some great expertise in different areas and it's been a big benefit, I think. So I like the program. I think it's a great program.

Katz: Sue? Grab the mike, I'm going to ask you the same question I asked last time. Professional and technical contracts, the auditor's report identified citywide criticism about sole source and other issues with regard to pte contracts, and we need to be able to move on this as quickly as possible.

Klobertanz: Pte contracting, as you indicated, we have a recent audit on that and there's lots of work to be done. Pte contracting and is not really part of the strategy. We'd like to expand some of our programs into that area and we're currently exploring with the city attorney's office our ability to designate and set aside, if you will, some of those pte contracts for emerging small businesses. It's -- I've not received an opinion back whether or not we can do that. Because of the pending budget cuts, I do unfortunately have to report that we stopped the recruitment for that new pte position. I am working with the chief administrative officer to find other resources within the city so we can move forward on some of those improvements, but the pte improvements are not part of the strategy.

Katz: Okay. We'll have to get to work on that in another forum. All right. Questions by the council? Thank you. Anybody else want to testify on this? All right. Roll call. I'm sorry. Motion to accept the recommendations.

Hales: So moved.

Katz: Second?

Francesconi: Second.

Katz: Roll call.

Francesconi: The absence of questions are much testimony shouldn't make you feel bad. I think sometimes politicians and government officials are accused of trying to do easy things and grabbing headlines. This is exactly the opposite. You've been working in the trenches for so long under the leadership of the mayor on this. It's been so difficult, it's easy sometimes to say let's have a fair contracting employment strategy, but implementing it is a different story. As Sue said, it takes a constant effort that never goes away. In terms of these recommendations, we talked about it earlier, but business assistance and the need for business assistance with these contracts is something we need to be able to do. So I saw in your time line July of 2002. But it is something that I'm in favor of and I think the council is in favor of. So we need to work through and see what that means in practical terms. The other one I noticed was this work force summit that you're talking about with the trades in the future. It may be good to have just a focused summit on that issue, but the idea of maybe a little broader work force summit as the mayor addressed in her speech, and the idea there's some other -- that's a very important strategy and shouldn't be lost. That is the trades and getting more minority participation. But -- there's some other models on the youth employment side that could be highlighted at such a summit if you decide that it fits. And if that makes sense, let me

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know. Because i'm on the youth council board. But if you want to keep it separate, that's fine as well. So I think what you're doing is particularly critical now with this downturn in the economy and if we can get this set up so when the economy gets better, we're better positioned to be a fair city. So thank you for your efforts. Aye.

Hales: Aye.

Sten: Good job. Aye.

Katz: Thank you, everybody. I invite any member of the council to join you at your meetings. Your schedule has been full over the last couple years and you've done very good work. I'm pleased to support it. Aye. [gavel pounded] all right. 10 o'clock.

Hales: I think our presentation team for that is here. Could I get them in in a couple minutes.

Katz: Let me see had we have on the regular agenda. We can do -- start the regular agenda. Karla, are you with me? Item 47.

Katz: Were you waiting for anybody?

Sue Klobertanz: It was my understanding that the gentleman appealing to the council for the hearing was going to be here. I had indicated to him that they needed to be here at 9:30. So they may have decided not to come.

Katz: Let me see. All right. Let's set 47 aside, let's do 48 and 49. 48.

Item 48.

Katz: Let me see if I understand this. This is our ability now as in the first steps of deregulation, to begin as a governmental unit to participate in some small way to deal with lower energy costs. Okay. Go ahead. Why don't you start.

Sue Klobertanz, Director of Purchasing: Mayor and council, i'm sue, director of purchasing for the city of Portland. The reason I am speaking first on this is because this council item number 48 authorizes an exemption to the competitive bidding process for the insurance of a request for qualifications for electricity service suppliers and it authorizes the chief administrative officer to enter into an agreement for the provision of the electricity to city facilities if it is deemed economically beneficial. So my part of this is the technical part, which is exempting the process to purchase the electricity from standard competitive bidding practices because quite frankly buying electricity isn't like buying pencils and the rules and regulations in both the state law and the city code and the administrative rules just don't work in this case. This ordinance allows the city as you'll hear from bob tomlinson and david tooze, allows us to enter into a very controlled process to determine a list of qualified electricity service suppliers through a request for qualification process, and then within a very tight 24-hour time frame, if it's economically beneficial to the city, negotiate a contract and come to an agreement with the provider. In short, from a technical procurement standpoint, this ordinance allows the city the flexibility to have a process to purchase electricity in a manner that is competitive within the law and in a manner that's a benefit to the city. So that's the purchasing agent's role in this particular ordinance, but what you really want to talk about is why we're doing it and the substance of the request for qualification. And bob is going to speak to that.

Bob Tomlinson, Bureau of Financial Planning: Bob tomlinson, bureau of financial planning. We've been working with the office of sustainable development and they've been doing the majority of the work on analyzing the possibilities and setting up the contracts, the rfqs and that type of thing. Basically Oregon's electricity utility restructuring takes effect march 1st of 2002. It allows certain commercial and industrial accounts to go to an electric service supplier rather than their current suppliers, in this case pge or pp & l. The office of sustainable development has identified 12 of the largest city accounts that have load and characteristics that we feel could benefit from this type of service. And so we are simply setting up the procedures that -- so that next week on january 15th we'll have the capability to analyze the financial benefits of either going with pge at their

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stated rate or going to another supplier at a lower rate. The financial models are in place. We're looking at savings -- we don't know the numbers and we won't until next week, savings anywhere from 50,000 to possibly 250,000 this. Is across 12 accounts, including the wastewater treatment plant, the Portland building and several water and b.e.s. Pump stations.

Katz: Mostly the pump stations.

Tomlinson: Correct. And so again, we will not enter into any agreements if number 1 the contracts are not satisfactory to our city attorneys, and number 2, the economic benefits are -- do not show a savings to the city. The main offset we need to consider is the fact that anything we purchase from an outside supplier, they will not be paying franchise fees to the city on that amount. However, we do have agreements from the bureaus benefiting from these cost saves that they would transfer savings to the general fund to make up that shortfall. So again, we're looking at a total economic benefit to the city and keeping the general fund whole.

Katz: The reason they wouldn't be paying franchise fees is?

Tomlinson: These outside suppliers are outside the state, and we simply -- they do not come under the franchise fee provisions. We will still collect franchise fee on half the bill. That half being pge's transmission of that power to the city. So we're only talking about losing half of the revenues and just on these 12 accounts.

Katz: My recommendation is that you let the -- keep the council well informed on this, because this is a major shift in terms of doing business. Council, questions? All right. Thank you. Anybody want to testify on this item? All right. Roll call.

Francesconi: Aye. **Hales:** Aye.

Sten: It's a very complicated approach. I think you're taking the right first step. Aye.

Katz: Mayor votes aye. [gavel pounded] thank you.

Hales: Our team is here.

Katz: All right. Let's make a note that we have to go back to 47, as well as complete 49. All right. Let's do 34 and 37.

Item 34 and 37.

Hales: You have to read the other item. Go ahead.

Katz: I'm going to -- we're going to hear testimony, since it's a 10 o'clock time certain, I will leave -- we won't vote until a little bit after 10:00.

Hales: Our presentation will probably take us to a few minutes after 10:00, so we'll be okay for calendar. And ellis mccooy from pdot will lead off, and we have people here from our vendor, schlubergersema, and also neighborhood and citizens to testify as well. We'll certainly not have a calendar problem with that. Call up your panel and take it away. I just want to thank ellis and the staff at pdot for really a careful and thoughtful piece of work here. I think you'll see we really thought this through and tested it out. It is a big change, at least for those of us who have a hard time learning new technology, not being a terribly computer literate person myself, technological change is hard for some of us, but this one we can do and we've found out we can do it by trying this technology out on the street. I think council's aware of why we need to do this. We have old meter technology that is eventually going to be impossible to maintain, and we have new areas of the city where parking regulation is needed, and where traditional meters don't have the capability of doing what we want, of having different hours on different days, and other customized parking management strategies. For example, around the pge park, the neighborhood around pge park we know we have a parking management challenge there. This technology lets us deal more effectively with the neighborhood specific needs than the traditional meter technology has, and over time we think it's going to be not just more convenient for citizens and easier for us to maintain, but better able to manage parking in the neighborhoods. And with that, i'll let ellis take us through the presentation. And welcome paul beverly, and patricia mcraig.

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Ellis McCoy, Parking Operations Manager: Good morning, mayor Katz and council. I'm ellis mccooy, parking operations manager in transportation. I'm here today to ask you to pass an ordinance that will do two things. Award the pay station procurement contract and designate the mode of operations for pay stations throughout the city. Seated with me today on my immediate left is paul beverly, the vice-president of SchlumbergerSema, and to his left is patricia mccaig with the firm of davis hibbits and mccaig. And i'm expecting the president of the association for Portland progress, and if he's here, he can come up to the seat. But he'll be here shortly hopefully.

Francesconi: His stand-in is here.

McCoy: I think ken was looking forward to the opportunity to be here. So i'll ask him to come up when he arrives. I prepared a slide presentation for council today. The people I just introduced will be addressing the council at specific points during the presentation. You will recall that I was here last august discussing the problems we were having with our single-space meters. When meters jam, they're out of service for at least one day. And on any given day around the city of Portland, you can find 100 meters or more that are out of service. This represents a significant loss of revenue to transportation. In addition, we've got more than three-quarters of our stock that need to be phased out due to the fact there are no parts available for them. With our continued dependence on coins, the concern for security around the collection and handling systems are of high concern for us. In addition, as you know, it's often difficult for our customers to have to be able to fish for enough coins to be able to pay for two or three hours of parking in the on-street environment. We feel pay stations have a number of benefits. They're -- there are more payment options and the flexibility to be able to program the units to operate at varying times and different rates are a huge benefit to us. And of course with the ability to use different payment options, a reduction in coin handling actually increases the security. Also the ability for the units themselves to signal us when they need to be maintained or tell us when they need to be collected provides a very high level of efficiency for us and enables us to maintain the system item. All of the above features result in lower maintenance and operating costs to the city. The three important features that we're asking for as part of this contract include the ability to use credit, debit and smart cards. The use of solar power to recharge and extend the life of the batteries, and two-way wireless communication features.

Katz: One second before you get to request for proposals, go back to that slide. This is one pay station per block?

McCoy: That's correct. That's the concept. You could actually configure them in any way you wanted, but typically there would be one pay station located in the middle of the block to serve the entire block face.

Katz: I know we had this conversation a couple years ago, but the aesthetics -- about the aesthetics and whether the aesthetics can be improved with one station as opposed to x amount per block. So I anticipate that what you're presenting is one pay station per block.

McCoy: That's true. It is.

Katz: Okay.

McCoy: In august of last year we started our procurement process and we've received a number of competitive bids, proposals from companies around the world. There are two phases of evaluation which were completed in december. And the result of that evaluation transportation is recommending that we award the contract to schlubergersema. Why schlubergersema? We wanted a company to -- with proven experience. They have greater than 100,000 units on street worldwide and they have developed -- were able to demonstrate successful Portland public schools in other cities around the world. In addition to that, they have a proven wireless communication services model, a fee for service model where they developed a network system where they manage the data that goes in and out of the pay stations. And they provide that service to us for a fee. They're using

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the system in a number of other cities, and it's tested and proven and it reduces the risk to the city of Portland and it provides us with cost benefits as well. They're also the lowest responsive bid, which also helps. And one of the important things is they were able to demonstrate a strong commitment to the partnership with Portland and to the success of the project. And at this point I would like to reintroduce mr. Paul beverly, who will speak briefly on this point.

Katz: Let's have the lights, then. Thank you.

Paul Beverly: Okay. Thank you very much for allowing me to come. Really what I would like to do is just to say thank you for giving us the opportunity to establish this partnership between schlumbergersema, the city of Portland and also pacific cascade, which is a local partner that we will be working with to provide additional services to the city of Portland. If I could just deviate maybe from what you would expect at this point, I got in last night at midnight. I flew in from dallas, texas, and when I came in off of I guess it was fourth street from the airport to the hotel, obvious 30 were -- there were no cars out because it was very late at night. It was interesting, because the first thing I saw other than this beautiful city that actually I hadn't had the opportunity to advice 90 about two years, but the silhouette of these old single-space parking meters that were stationed throughout the city around the city blocks. And your comment you made a moment ago about the aesthetics, it really forced me to want to bring out this point that truly in addition to some of the technical capabilities that this product will offer, I think for sure there's a real benefit from an aesthetics, so that the first impression as a visitor would have coming into the city looking around the city block, it's not these single-space parking meters you would say -- see, but of course they would be eliminated. Just to give you a background in case you're not familiar with schlumbergersema, we're a \$12 billion corporation, we're located in new york city, we're traded on the new york stock exchange, and obviously the name schlumberger is european, and indeed it is, the terminology we have comes from france, schlumberger started in france, but has since been incorporated and is a u.s. -based company. In addition to working with -- within the parking area and the transportation area of -- schlumberger is also involved with financial institution and wireless operators and major fortune 500 corporations providing solutions around smart card technology and also the terminals that are used to accept the smart card technology. So in conclusion, I would like to point out again that in add to ensure that we provide the utmost in service, we do have a local partner who is located here in the area with a lot of experience in working with the city of Portland, who will be a partner for us. And one of the last comments that I would like to make, it was a point that was brought out earlier, we have discovered in that installations in major cities throughout the world one of the keys to success is to have a very good public outreach program so that the users of this new technology are familiar. As we've seen out front, the technology is very easy to use. We've conducted trials not only here, but we have successful installations around the world where the technology is being used most successfully. In order to support you in your public outreach, we also have agreed and offered a significant sum of money to help you in your public outreach program and to help you market the program to your end users so the adoption of the technology will be as smooth as it should be and as smooth as it has occurred in many other cities around the world. Again, I want to say thank you and we look forward to a very successful partnership between our companies, and we're certainly ready to proceed as soon as possible. Thank you.

Katz: Thank you. Could I be crass and ask you how much are you offering for the education and the outreach?

Beverly: Sure. \$40,000.

Katz: Thank you.

McCoy: Thank you for that question.

Katz: Did you want to say anything, patricia?

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McCoy: Not yet.

Katz: He's calling the shots. Sorry. [laughter] sorry.

McCoy: We began an analysis last spring of choosing the appropriate mode of operations. We found there are several issues that are important to that choice. First of all, it's important not to confuse the public and we need to have one citywide standard in order to eliminate confusion, and provide consistency. We've heard from our customers and -- in other cities that you need to make it simple and easy to use. Any mode of operation we choose needs to be focused in that way. The mode of operation also needs to be flexible so it can actually serve the demands of future technology. We need to be certain in the select of a mode of operation that we're not taking any new maintenance or operating liabilities that might be onerous for the time. -- over time. There are two types of modes of operation. The first being pay and display, where no space numbers and markings are required. The customer receives a receipt at the station, displays the receipt in the vehicle and the customer may retain a copy of that receipt with them. The pay by space mode of operation requires marked and numbered spaces. The customer must first use the key pad to indicate the numbered space and a receipt can also be provided under this mode of operation. The differences boil down to three different issues. Under pay-and-display, with the unit located typically in the middle of the block, the customer would have to walk up to in the downtown core, 100 feet of potentially to display the receipt in the vehicle. That means that 50% of the time the customer may be going out of direction. In the pay by space environment, the customer must ensure the correct space number is entered on the key pad for the pay station. Also, what this means for transportation is that we have to mark and number in excess of 8,000 spaces around the city and maintain those and we -- and areas like the northwest will have to mark and area -- number all of the space and maintain them over time. There are a number of fact about the mode of operation that we've learned from cities around the world that are important to this decision. First is that there's a market preference for pay and display mode of operation. Over 99% of on-street installations worldwide are pay and display. In -- cities tell us it's that way because pay and display is simplest and easiest to use. There's no significant on-street pay by space operation in the world. There are a couple of small operations, one in berkeley, there's one in houston, but there's none of any significant size. Versus single space meters, both modes of operation require the customer to walk further to the machines. That's an important point to understand. The customer is walking a little farther regardless of which mode of operation. And also, it's important to note other cities experience increased revenues under pay and display mode of operation. The office of transportation is recommending that Portland adopt the pay and display mode of operation. The -- we're recommending that for a number of reasons. We feel there are various benefits associated with the customer receipts. First of all, the customer takes the parking time with them and what I mean by that is a customer comes downtown, pays for two hours' worth of parking, returns after an hour and they're able to use that additional hour to park at another area in the downtown area without having to return to the pay station. The customer also has a receipt with them that reminds them of their expiration time. There's also the potential to develop on-street parking validation programs in conjunction with retail and commercial partners. And then there's the ability also to have public service messages or advertising on the back of receipt copies. Another benefit is lower maintenance costs. You don't have to mark or number the spaces, you don't have those additional costs you have to meet over time. And in addition, a lot of stakeholders believe having a lot of numbers on the streets, rows of numbers would distract from the aesthetic value from the pedestrian environment.

Francesconi: Does the public understand that first benefit, that they get to take the parking time with them? That's -- has that been --

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McCoy: They will shortly understand through our education and outreach process. Patricia will speak to this a little bit. In the work we have done, we have explained that to them and they do perceive that as a great benefit.

Katz: Go ahead.

McCoy: Also, the pay and display mode of operation is very adaptable to other parking technologies. What I mean by this, technologies like in-vehicle metering where you display your parking time in the vehicle, and all of the customer convenience is focus order the vehicle, you don't have to go to the pay station itself, and smart park technologies can be supplemented to pay and display very well. The reason why they can do that is because the enforcement is focused on the vehicle itself instead of the pay station. So there are a lot of emerging technologies that are centered around customer convenience and all of the enforcement is focused on the vehicle, and pay and display can -- all of these technologies can be supplemented with pay and display easily. It's also more cost efficient because you can control more spaces. And we've received strong recommendations from virtually all the vendors that participated in the procurement process to recommend pay and display. We're also getting strong stakeholder support. Over the last few months we've worked with the stake holder interests that include the downtown core, pearl district, lloyd district, and northwest, as part of those discussions there has been the concern of the perceived inconvenience of the customer having to return with a car under -- to the car under pay and display. I can say that the stakeholders have reached an understanding of the benefits of pay and display and they also understand the ability to develop other tools to mitigate those concerns of returning to the car. In addition to that, the stakeholders understand the importance of outreach and education and the role of the pay and display environment. The last important point of our recommendation is that we feel as a result of our work in public opinion that the people in Portland are ready to accept this technology. With that i'd like to reintroduce patricia, who will speak briefly on that topic.

*****: Good morning, mayor, council members.

Katz: Move the mike closer to you.

*****: Good morning.

Katz: Good morning.

Patricia McCaig: As ellis mentioned, we've been assisting the city in reviewing the pay station technology with parking customers. Let me tell you we've done research, focus groups and survey work. The participants in both the focus groups and the surveys were randomly selected. They were cross-sections of demographic folks who have in fact parked downtown at least once in the month they were called and do at least park downtown once every month. So they're people who use on-street parking. That was our goal. Additionally, we conducted 150 interviews with business managers or business owners in four different cities around the nation where this paid technology has been used, and i'll speak briefly about that. Let me tell you very quickly what we learned about the focus groups. The purpose of the group was to identify the questions and concerns participants were going to have with these different features related to the pay station technology. We also began to introduce the specific kinds of features and to assess the appeal these features would have with folks. In order to do that to begin that discussion with them, the first thing we asked was, what do you think of the current system. When you think of the parking meters, what do you think of? If you can imagine focus groups began a discussion, a fairly animated discussion about not having enough change when you need it. Everybody had a story to tell and you can go from there. Clearly that's an issue for people. They obviously -- they told different stories of having enough coins and plastic bags that they keep in the side pockets so they don't run out. People have also found it inconvenient. What was interested about the focus group was one clearly some of the features have an appeal. More interesting was the way people processed the information. We were introducing

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these different features associated with the pay station technology, and they view it in a trade-off context. They listened to the entire presentation and they weigh the different features against each other and the perceived benefits and inconvenience. It's not linear, it's not one piece of information, it's a package of information that influences their decision on whether they find the features appealing or not appealing. We then conducted the survey and the purpose was to know if I -- quantify what we learned in the groups. We learned many of the features were appealing but there were inconveniences perceived as well. To assess the level of acceptance for the different features of the pay station technology. We took all of the features for the pay by space and pay and display technology and tested the different features and the appeal of those features whether people found them very appealing or somewhat appealing. The -- I think interesting piece is that they found them all appealing. That in fact all of the features provide additional convenience for folks. What we were concerned about, however, of course was the needing to walk to the pay station and potentially walk back to your car. We clearly wanted to package the benefits of the features with that need to walk back to your car to determine whether the features were still perceived as beneficial once they knew about the inconvenience to walk back to their car. The result was interesting. We asked the question and we retested every feature and there was a slight dampening of enthusiasm for some of the different benefits and I mean slight between five and seven points. The overall impression and rating of each one of the features continued to be either very forgivable or somewhat favorable. We saw the general appeal not diminished at all when they understood that they needed to walk back to their car. They weighed the benefits and found the benefits of the features associated with the receipt overcame the inconvenience, and they acknowledged the inconvenience, of having to walk back to their car. Lastly, we then moved from there and conducted 150 interviews throughout the nation and we identified five different communities and four different cities where the pay by -- pay and display technology was currently being used. The purpose of it was very narrow. It was to identify retail commercial areas for residential areas similar to Portland and talk to only business owners or business managers to determine whether in their perception the new pay station technology had had an impact on their customers. That's what we wanted to know, was from the business owner or manager's perspective, whether the new pay station technology had had an impact, positive, negative or no impact at all, on their parking customers. A majority of the people we interviewed said it had no impact on their parking customers. And as many -- almost as many believed it had a positive impact on their parking customers as believed it had a negative impact on their parking customers. So we -- I've learned this word -- we consider this a good triangulation, that in fact they -- thank you -- in fact the survey work, the focus work and the interviews support each other. There was nothing within those three different research tools that raised a flag for us. In fact they confirmed and reinforced that the benefits associated with these features outweigh the perceived inconveniences and they find that the overall pay station technology provides them with the flexibility and convenience that they want as parking customers.

Katz: Thank you. Questions?

Francesconi: One question. So that convenience factor, the walking back and forth, that was both the focus group and the poll? It was true in the poll as well?

McCaig: Yes. In fact it was more clear in the poll because we could statistically substantiate it. And each feature was evaluated knowing that they had to walk back to the car. We expressly told them and we told them they had to walk to the meter and back to the car, so they were clear.

Saltzman: Was there any difference between age groups?

McCaig: Very little, but over 55 still was very appealing. The benefits were perceived as very appealing but there was less enthusiasm.

Katz: What was the biggest benefit that they saw?

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McCaig: Debt and credit cards. The flexibility to use that. The next was really interestingly, kind of tied between the parking validation, the opportunity to get validation with the receipt in stores as well as being able to move from one parking space to another. They really liked that. Take their receipt, their time and move.

Katz: Okay.

McCoy: Finances. This project is for \$6.8 million over five years. The funding will be provided underline of credit. And the additional revenues from operating the pay stations will handle the debt service. What I mean by that, the efficiencies we will experience as a result of not having our single space environment of operation, those revenues we will be recovering. We've estimated them to be over \$400,000 a year. The revenues from new pay parking like in northwest will fund their portion with the revenues generated from those districts. Installation, we're looking at phasing in 900 pay stations over a three- to four-year period. The first phase will go in may of this year. 150 units. We're talking were phasing them in, broadway, southwest broadway as the spine, burnside and market and going two blocks on the east and west side and also looking at trying to serve the goose hollow area for pge. Enhanced pay station features. You may not remember, but back in august I mentioned there was the potential to development enhanced features. Pay stations can be a number of things other than just parking. This contract provides for those types of features. There's the ability to develop smart card and electronic cash programs, e-cash systems and information kiosks as well. An important point to remember is these features need to be developed with our stakeholder partners. Also, the successful first-year operation of the basic pay station is critical to any further development of enhanced features. At this point I would actually like to introduce kim, he's going to talk on this issue of information kiosks and other enhancements.

*****: Thank you.

McCoy: If I could, i'd like to keep the screen on because there's an image I want to display.

*****: Thank you.

Francesconi: You're in charge here. [laughter]

Katz: Are you almost finished?

McCoy: One more slide after this.

Katz: All right. Go ahead.

Kim Kimborough, Association for Portland Progress: I'm kim, with the association for Portland progress. We have been meeting with representatives from pdot on the idea of pay and display versus pay by space for a number much months, having held a fair number of stakeholder meetings to discuss this issue, among retailers, both large and small, neighborhood folks, just general business people, and obviously will was a full gamut of opinions initially as to what was good and what wasn't so good. Once we started talking about the enhanced pay station prospects and what that really meant to the downtown and the value added component, both in terms for the immediate future, meaning the next two to three years, versus the long-term future, and once we started understanding what that potentially could do to the city's revenue as well as the city's image worldwide, by implementing this type of technology on the front end of the curve, and also we realized very quickly that this was clearly the way to go from our perspective. And that is with these enhanced pay stations. The image you have on your screen is actually the a representation of what these things could look like. They are obviously a little taller, a little wider than the standard equipment. But they -- the primary features that really get our attention and get us really excited are, it as a way finding program. Kind of a "you are here" type of pedestrian map associated with them that directs you to other major attractions and locations of activity and interest within walking distance of that particular pay station. It also has the ability to use the same branding effort and that smart park does. We already know that smart park has recognition regionally of 68, 69% of the entire population of the region. And we clearly think that's -- that starts getting folks to understand

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that that's where you go to affect to pay for your curbside parking. It's also easily identifiable because it is -- it's a little taller, it's a little different. It becomes a feature of the street furniture. And in our opinion it gives the city many more options to do more than just collect fees for curbside parking. Because of the enhanced cellular components that would go into this and the ability for e-cash transactions, pretty aggressive use of smart card technologies, and the ultimate involvement of multinational banks and telecommunications companies and a -- in alignment with other cities down the road in years to come, you're not precluding where the wave of this technology is going, I guess is the point i'm trying to make, by embracing this concept of the enhanced pay station. It obviously will be much more cost effective to do this on the front end than at later points down the road. Once our folks understood, our stakeholders understood that this was a realistic possibility, and they understood all of the various to be logical components as well as the simple things that we have been all searching for ways to pay for for so many years, like way finding for our pedestrians in the downtown, and all this can be rolled together, we got very enthusiastic and quite frankly are very, very supportive of this proposal and interestingly enough, our folks who were not in favor of pay and display, but holding out for pay by space, once they realized that this, the potential for doing this was possible with pay and display, and the additional revenue streams that happened, we have almost a unanimous position now, and -- that this is the way to go. Would I tell you also that we have included in our stakes holder meetings have been other neighborhood groups that will also be impacted, both business as well as residential, some of whom I believe may be speaking for themselves later today. Not to still their -- steal their thunder, but we got the same kind of enthusiastic response from our partners in those areas for this kind of enhancement to this concept. And it's -- there clearly are ways to make this happen soon era they're than later if we consider escalating the role after we get through the first year of the trial and error that ellis described. But on behalf of app and the stakeholders that we rep down -- represent downtown, we want to sit here and let you know that we think the process has been a good one, it's been a thoughtful one, it's one that is defensible, we also think the choice of vendor that the city -- the process they went through is very thoughtful, very thorough and the choice of vendor couldn't have been any better. We wholeheartedly support this effort and look forward to being -- Portland being yet again on the map as a leader worldwide on the implementation of this technology and all of the additional added value that goes with the enhanced pay stations.

Katz: Thank you.

Saltzman: Is that an advertisement on the street facing side of the meter?

McCoy: That is an image that potentially could be advertising.

Kimborough: Or it could be community promotion of the art museum, for instance, or the -- or a community activity.

Saltzman: Do you have experience in your other cities of having advertising in that space?

*******:** Repeat that?

*******:** Are any other cities using that space for advertise something.

Beverly: This would be very innovative. There's the telling that's available to do that, and if we want to incorporate and integrate this type of advertising feature into the kiosk it's certainly possible. And there's one more point i'd like to make. That is that the contract I believe protects the city and ensures the success of implementation in a number of ways, provides a five-year warranty, includes performance standards, and as paul was indicated, requires a local service provider, so we don't have to -- as we discussed it provides the ability to meet future needs and public education and outreach, which is a very important element, is going to be the next big features which your of this process. So with that, thank you very much. For any additional questions --

Katz: I'll take over from here, thank you. [laughter] you did a very nice job, thank you very much. [laughter] council, questions?

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Saltzman: I have some questions.

Katz: Go ahead.

Saltzman: A couple questions. I guess I don't understand quite how the validation works. So you show up and you show your receipt. Does the vendor mark -- give you cash?

McCoy: There's nothing working now. Conceptually we would use smart cards or magnetic stripe cards as the tool. Those cards would be issued to retailers or commercial -- as -- in partnership with the city and they would be distributed to patrons for the subsequent visit. They would be distributed to patrons to be used at a subsequent visit to the retail establishment.

Saltzman: In other words, I show them my receipt, and I may get a smart card for \$2 of parking at some future point in time.

McCoy: That's correct. It could also have bonus points for retail purchases as well.

Saltzman: Okay. That's great. The other question, I was wondering, any sort of a rain or wind protection cover over those pay stations? Is there any -- I didn't see that.

McCoy: There's nothing planned. There's nothing actually needed. They've been tested in some pretty harsh environments. When it comes to maintenance, all of the components are inside. So they actually don't get wed when -- wet when you open the door.

Katz: I think he meant the customer.

Saltzman: Fumbling for credit cards while you're holding an umbrella. That's what I'm thinking.

McCoy: At this stage we're not planning on building any shelter. But that is a concept we could explore.

Saltzman: --

Katz: So they could be scratched and etched. Okay. Okay.

Saltzman: Can you purchase a ticket at any pay station regardless of where you're parked?

McCoy: Actually you can. Yes. If one pay station is out of operation for some reason, the customer could be required to go around to the next pay station.

Saltzman: Okay. My last question was, do the sales provide the total energy needs for the pay station, and I'm curious who you purchase them from.

McCoy: I can't answer that question fully. I was going to leave it --

Beverly: Wade can give a more detailed response.

Katz: Come on up for the technical response. Then when they don't work, or we don't have the energy source, what's the alternative energy source?

Wade Beneforth, Schlumberger-Sema: Thank you and good morning. My name is wade, I'm with schlumbergersema. I can tell you a practical experience the machines have proven to work with the solar panel. I might point out first of all that the machines operate directly from a battery. Then the battery is trickle charged by the solar unit of the we have over a thousand units in installation right now in Canada that are using the same mode of operation that yours are, they're pay and display, they accept coins, credit cards and for payment, and they operate on solar power. And these machines are engineered to be low energy usage. As an example, when the machines is not in operation it's basically in a sleep mode. The only thing that would be showing would be the clock on the machine. It's not until you go to do a transaction does the machine wake up and use the energy. So not only have we engineered the machines for that, but the city was able to check our references, ie the city of Toronto, we have machines that run on solar power in New York, in Denver, Telluride, Colorado, all over the world, and we've had machines installed for a number of years where it's proven that the solar unit has -- provides enough energy to recharge the battery on a continual basis.

Saltzman: Who do you purchase your cells from?

Beneforth: I believe the company is from -- is called Photowatt, but would I have to verify that for you.

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Hales: They're not wired into conventional electrical power at all. They're completely self-contained.

Saltzman: That's great.

Katz: Further questions? Let me just -- commissioner triggered this for me. I would hope that you would place a protective cover on the surface of these machines so we don't get the same destruction that we get on the new phone station that's were placed I know in northwest, I think two years ago, or the newspaper vending machines on the street that will completely covered with all kinds of graffiti. And the last thing you would want is that to occur on these, especially with the information. And I know that on some of the transportation signals like the stop signs, if you do clean them up, they take the paint off. And so there's a tendency not to touch them because they would destroy the surface paint. So since this is something that I keep an eye out on the city, my hope is that you are looking at some technology for doing that. Otherwise I don't know who's going to clean them up or if they're going to be able to be cleaned up.

Beneforth: Can I address that?

Katz: Sure.

Beneforth: I think as ellis mentioned, we have over 100,000 mention in operation, and we have them in some elements that are -- would much -- in much worse conditions than I think you would experience here in terms of graffiti and attacks on the machines. Having been in this business for some 30 years, we have obviously run into graffiti as an issue that we've had to deal with, and we do have -- the painted surface does have a clear coat finish that has an antigraffiti treatment to it. So there are a variety of solvents that can be used in conjunction with cleaning these machines to remove graffiti. The graphic plates on the front of the machine also have a clear protective cover so the graphics will not be damaged by graffiti. So we have addressed this because we quite frankly have encountered this in other installations, so those things are already in place.

Katz: So the traditional solvents we use will not damage the surface?

Beneforth: We can recommend solvents that can be used to remove the graffiti that will not damage the painted surface on the machines.

Katz: Thank you, gentlemen. And patricia. Who do we have signed up?

Chris Smith, NW District Association: Good morning. I'm chris smith, 2343 northwest pettygrove street. I sit on the board of directors of the northwest district association and chair its transportation committee. My testimony this morning specifically on the mode of operation, has been authorized by the nwda board. First i'd like to speak from another hat, which is a member of the northwest parking cac, where I have good news to bring, which is that we're rapidly slid identifying a consensus on a parking plan in the northwest. We'll be back in april and hopefully it will all be tied up by then. The pay stations form a central element of that plan. The plan is a combination of a pay to park system, along with a traditional area permit program overlaying the two. I think we would not have arrived at this plan if we didn't have pay stations available to us. That's been kind of a breakthrough factor in the discussions. Both because of their flexibility in terms of adapting to different conditions, having different operating conditions at different times for things like pge park, and also because they don't present the aesthetic challenge that traditional parking meters do. There's no way we'd sign up to have meter all -- meters all over the neighborhood in northwest but we believe we can get acceptance of pay stations. We're talking about an area that's not just the commercial boulevards, but a substantial portion of the neighborhood from burnside to pettygrove and 16th to 25th. So we're talking about pete putting these on residential streets in front of people's homes. And that leads to my next point, which is mode of operation. For our plan, which is potentially a plan that could be a template for other neighborhoods as we look at bringing parking regulations to other areas that develop intense mixed use of high density residential with neighborhood commercial, we don't want to stripe the streets.

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We've done some studies, we believe striping the streets is -- as would be required by pay by space would cost us too much, and that's not politically acceptable in the residential neighborhoods. So we very much want to see this happen but we want to see it happen with pay and display. We're delighted that's the staff recommendation and other interests have looked at the bigger picture with our input and have agreed to that. That is an essential element of the plan from our point of view. And i'd also like to make the point some of the future technologies that are more adaptable to pay and display, like in-car meters are very exciting, and we see that as an important benefit of pay by -- pay and display as well. I'm happy to answer any questions.

Katz: Thank you. Questions? Go ahead.

Cynthia McBarney, Business Owner: I'm cynthia, I own kathleen's of dublin. I need to remind you march 17th is right around the corner. I'm also the cochair woman for the downtown retail council, and i'm here to voice my support of the central pay stations. It's a change that's going to occur whether it's now or a couple, three 4 years down the road with the demise of the parking meters. And I would venture that many of our members of the downtown retail council are a little apprehensive about incurring any change, but I think it's important that this new system be looked at as a benefit for our visitors coming into downtown Portland from other parts of our own community, visitors coming from outside the area, and our current customers. They will experience benefits that I think are going to be phenomenal. One being the credit card/debt card pay option. We are -- we merchants are very interested in the enhanced pay station being discussed by app and pdot because we think it will afford more benefits down the road that we as merchants can build on as a community. Retail community. We know change is going to be difficult. It always is. We downtown merchants are very in dune to lots of changes happening in downtown Portland that are positive. We feel this is going to be one of those. But this outreach and this education of our community, our customers, and our visitors is going to be paramount to the success of this. What we don't want this to be is a barrier to retail and downtown Portland. We still want our customers to say, i'd rather be downtown. So in lieu of being too forthcoming, we would like to say downtown retail council wants very much to be a part of this education outreach, and we merchants think we can help you do that when the time comes. So we'd like to give our support, we hope you proceed forward. I'm on broadway, it's slated to be one of the first streets that will have these pay stations. I want it in front of my door. [laughter] thank you.

Jim McEchron, Labor Local 483: Jim, labor of local 483, i'm on northeast 74th on the east side of Portland. I'm sitting here to -- as representative of the stakeholders in the maintenance bureau who currently are the people who maintain this -- the current equipment. The current meters. It sounds to me like the stakeholders and the stars are all aligned, and it's probably just going to fly through. I'm just here to urge you to go forward with some caution. I would like to see that we get some guarantees somewhere along the way that our people who are currently doing this work are given the opportunity to be able to continue to maintain and operate this system. And I would suggest that you should approach with caution any changes that are going to remove the maintenance of a basic city service out of the control of the department of transportation and put it into the hands of a private entity or private company. And i'm not certain if that's a direction we're going with this process, and with schlumberger or not, but I want to raise that as a red flag. I think that you maintain basic city services under city control a lot better whenever you have your own people and your own staff doing this work. We have a large number of folks who are in this unit already who are skilled technicians with the current technology who have the ability to be trained and have the ability to take care of these new meters. These new pay stations. So that's my concern, and i'm hoping that somewhere along this process that I will get a phone call from somebody in transportation telling me what the impact is going to be on the people I represent with

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the -- with moving away from the current old fashioned meters to these new pay stations. And I haven't gotten that phone call yet.

Katz: We can ask that question. Does anybody want to respond to that?

Hales: Why don't you bring ellis back up.

Katz: Thank you. Why don't you come back up, but hold it first. Have a seat. I just want -- no, no, come on up. Any questions for the other two people testifying? All right. Grab the mike.

McCoy: Okay. Certainly this contract does not represent us moving away from --

Katz: Identify yourself for the record.

McCoy: I'm ellis mccoy, parking operations manager and -- in transportation. This contract with schlumbergersema certainly doesn't represent us moving away from our meter technicians performing the maintenance. As -- in their traditional roles. It does provide for a local vendor support, however, that does the training of the meter technicians that provides the support for schlumberger in terms of receiving the delivery of the units, making sure they're ready and operational when they bring them to the site. So it will mean a change for the way that the meter technicians do the work, yes, because we're talking about a different environment. We no longer have meters that we can sit down on a bench and take apart and put in new screws or something to fix the meter. It's a component system that when there's a component that's failed, you plug it -- plug in a new one. They will be pulling the lead role in maintenance activities.

Katz: Does that answer your question?

Francesconi: Yeah. I think a phone call, I talked to ellis once before --

Katz: Okay, ellis, a phone call.

*****: I'll call you.

*****: The other thing, again, everybody feels good about this stuff going in the door. But i've worked at the city for 21 years. I've seen cutting edge stuff come in, i've seen, we're the leaders, we're getting out there first before everybody else.

Katz: Ellis? A phone call. All right. Karla. Anybody else want to testify on this? Council, any further questions? If not, roll call on 34.

Francesconi: Just congratulations, commissioner Hales, and department of transportation. You've selected a terrific vendor here. Technology is going to happen, change is going to happen. It sounds like maybe other cities are actually ahead of us, if I heard the presentation right in terms of pay stations. It sounds like listening to the focus groups and the polling, the citizens may be a little ahead of us too in that they're willing to embrace change if it's more convenient. Here we have a new system that better serves the citizens, better serves the visitors and customers, and has the potential to really better serve our businesses. So I think we need to embrace it and move forward. Aye.

Hales: I think this testimony has been real helpful in that question that you just raised, that is there's a right time to make a change like this, and it's not before anybody understands the technology, and it's not at the very end of the cycle of change either. It's at the right time where we know the technology works, it's been tested on other streets and our streets first, and where we've checked with our customers and our citizens to make sure it will work for us, and we have guarantees and assurances and understandings in that contract about the performance of the equipment and how much it's going to cost to maintain. I think we have the right level of assurance here that we're making the change at the right time. Then we have to continue this really good effort, I want to commend you, ellis will, and -- ellis, and the team at pdot, with downtown merchants, with citizens, to make sure we make this change in a way that produces benefits, not just acceptance. And I think we're going to get to that point. Aye.

Saltzman: Despite our pride as Portlanders -- as Portlanders as being first or cutting edge, it sounds like we're safely in the middle of the pack. I think that's the place we want to be this. Is an

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exciting technology for me to see, and I think it will be well received from the public. Just one aspect of it, the fact they're run by cells, it comes our developmental strategies. One of the questions a lot of them ask, and those managers are some of those targeted industries, what are we doing locally to stimulate demand for their product? By seeing these on our pay stations that certainly is one strong sign we are doing something locally to hopefully attract some manufacturers here too. Aye.

Sten: This is the right choice. I think it will take a while for people to get used to it, but I think they will, and I agree, I don't always -- I -- I don't always have change, having a credit card will be great, I think it will work better and we need to make the change. Aye.

Katz: A couple of years ago commissioner Hales and I had a conversation about centralized pay stations, little did I know that you were going to take it another step forward. So congratulations, nice work done. Let me just ask the vendor, in addition to your 40,000 dollars commitment for education and outreach, we do ask some vendors to also provide us with some resources for cleaning up the graffiti on these machines, since we probably is have one of the smallest programs in the country for a city our size. So I hope ellis, since you've done such a wonderful job running this show, you might want to have them to give us an annual small fee for the clean-up. All right. We're not doing naming rights. We're not going to sell the city. Aye. [gavel pounded] all right. Let's take 37. Roll call.

Item 37.

Francesconi: Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye.

Katz: Mayor votes aye. [gavel pounded] thank you. All right. We are -- oh, right on time. For item 35.

Item 35.

Katz: Okay. Go ahead, commissioner Saltzman.

Saltzman: I'm pleased to bring before you today this proposal to make the sustainable Portland commission now the city-county sustainable development commission. This job we have often requires tough decisions on policy and program initiatives, but this is definitely not one of those situations. Combining the city's sustainable commission with the county and creating a city-county commission is common sense and probably overdue. This is the type of collaboration and partnership between local jurisdictions that we will need to pursue in light of our common budget and funding difficulties. Since I took office here in 1999, the sustainable Portland commission has been a key partner in advancing sustainable efforts in the city. The city has started the green building program, created the office of sustainable development, adopted a comprehensive green building policy for the city, and prompted the pdc to do the same. And we've administered a grants program that's resulted in 13 lead certified commercial buildings and 35 residential green buildings and we've also maintained excellent energy assistance, solid waste and recycling programs. So the Portland -- sustainable Portland commission has been the keeper of our sustainable city principles that were adopted in '94, and they've been a good sounding board for us as we've developed policies and they've been in fact an initiator of some of the policies we've pursued and many more to come. So combining this commission with the county will generate two principle benefits -- it will add Multnomah county's important social service, health, library and public safety programs to the list if a facilities of local government operations the commission provides input into and correspondingly the membership will be expanded from members of the county. This does not require any additional resources or staffing this county will provide staff to this commission and she's sitting here today. I want to now ask susan anderson, the director of the office of sustainable development, ken snyder and bob wise, the current cochairs of the former sustainable Portland commission to talk more about this partnership.

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Susan Anderson, Director, Office of Sustainable Development: Thanks. Susan Anderson, director of the office of sustainable development. Members of the sustainable Portland commission have been very diligent in their efforts to educate others in the community about what we call the triple bottom line, which is one that cuts costs and reaps the benefits of a healthy community, economy, and healthy environment. In the past few years council and individual bureaus have been -- have embraced these ideas. We're changing the way we build, the way we look at things that we buy, how we plan for the future. We know that if we adopt the more sustainable and more forward-looking approach, that there's quite a learning curve to go up. The members of the commission have been very helpful in getting us up that learning curve more quickly. The commission also provides a forum for our own corporate city government activities, and we -- it enables us to tap the expertise of the private sector. Members of the commission continue-to-be a source of new ideas and also provide a place for ideas and approaches that don't really fit into any one particular bureau and it brings a place that we can talk about new ideas and ideas that are cross-cutting. The new sustainable development commission will operate very similar to the way the old commission did. We'll increase the number of members to 17, there will be ten for the city, and seven members from the county. They'll be co-chairs, no additional funding is required. In fact there will be some ability to share some costs and some staffing and the ability to do publications together. Sometimes sustainability gives the impression it's all about the environment, and it's not. Sustainability is about connections, about how transportation and housing and well-educated kids and good roads and clean air and clean water and how those things are all connected. And in working with the county over the past really couple of years, the county has grown to be a very helpful partner in helping us understand those connections between a healthy environment, between healthy kids, and good jobs. So we're really happy to have the county as a partner. Maria has been a real advocate in making this come together. We welcome the opportunity to work together and look forward to the partnership.

Katz: Thank you. Go ahead.

Kent Snyder, Co-Chair, Sustainable Portland Commission: I'm Kent Snyder, one of the co-chairs of the commission. We're going to do a quick tag team and fill in what the commission has been doing over the last year, some things on the horizon. Thank you for the time. We also appreciate the council's leadership in promoting sustainability for the city.

Katz: I remember some of you weren't terribly happy when we moved from energy to sustainable development, but it worked.

Snyder: It's been working very well. And we have these great new offices too.

Katz: We didn't anticipate any of that.

Snyder: I'm going to talk briefly about the areas of procurement. I think we all want to make our purchasing decisions, support our values, and the city's role in adopting and promoting the sustainable city principles. In -- improving the quality of the tens of millions of dollars of goods that the city and the county purchase will do -- serve a great benefit in achieving our goals vis-a-vis environmental issues, global warming policies, sustainable city principles, social issues, health issues, and such. We have been working with the purchasing department for the city in incorporating sustainability language into the code. We've also realized that there's a lot more that can be done. Sue has been doing a great deal in putting together a task force within purchasing to green up the purchasing. It's happening in the county as well. What has also been happening, there's a coalition of local businesses that has been working for the last nine or ten months that we've been involved with that is forming what's called a sustainable purchasers -- sustainable products purchasers coalition, which is about to be incorporated in a couple of weeks. It is really working to try and pull together the marketing power that groups such as the architectural community, engineering and construction communicated, local governments and things all have

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when they combine their marketing power help draw and engage the manufacturers to provide us with more sustainable products and information about the products. So that's going to be launched and we voted yesterday in the commission unanimously to ask the city to become one of the founding members of the coalition. And we'll also ask the county. So lots and lots of things are happening, a lot of business opportunities and economic opportunities for the city and the area of sustainable procurement and sustainable goods.

Bob Wise, Co-chair, Sustainable Portland Commission: I'm Bob Wise, cochair of the commission. I want to report briefly on the key items we're doing to green up, improve the city's operations. The first -- a lot of these things are being done already in partnership with the county. Some things they are totally on board with and others they're just getting used to. But it's very strong partnership already, so you think maybe in the last year we've been working together already. So the first is the adoption of the green building standards, which we're very proud of and appreciate the support and leadership from the city council and commissioner Saltzman. The formation of the sustainable infrastructure team and the work it's doing, which is building in a way on the green building initiative. Development of a salmon safe certification standards for parks, so we're making sure our public park operations don't do any stream damage. Initiation of the sustainable procurement committee within city government. Which is ideal for us because essentially we're helping instigate and move something along the city government organization that has responsibility is going to do, and I think that is very positive. Bureau efforts you probably know about the sustainability action plan for the bureau of environmental services. That's in its second year and the formation of planning is underway in the water bureau. We continue to monitor and develop benchmarks and standards with -- and publish reports from time to time on how we're doing and we'll continue to do that. The second area I'll talk about is food policy. Relatively recent agenda addition for the commission, at the request of commissioner Saltzman, the commission formed a committee, including outside members beyond the commission, to better address food policy issues which have tremendous environmental, economic and social impacts all the way from probably the core poverty on up to the whole global agricultural system that's a very important area for Oregon. The -- there are a number of cities, including Hartford, Connecticut, and Berkeley, that have formed food policy councils. The subcommittee has plan add forum which will be on February 2nd, I believe it's February 2nd, to investigate food policy concerns of a wide range of stakeholders, including growers, processors, food banks, restaurants, grocers, gardeners, and others. And to specifically investigate how the city and county policies might support a more locally oriented food system. And I think that's basically the bottom line. And in the spring we'll be able to report to council on what we've learned based on the work of the forum that's going to take place and other work we're doing. That's a new -- relatively new area, but an important one. I might say very interesting for me as we started working with the county more to be able to build in more of these social policy, social agenda elements into our work.

Snyder: Another big area is the global warming issue. The council a number of years ago adopted a global warming plan. Last spring both the city council and the board of commissioners adopted an action plan and it has all kinds of actions involved, transportation, renewable energies, energy efficiencies, forestry, et cetera. The -- one of the things we're starting to kick off is a communication and education program -- outreach effort, how do you raise the awareness out there of climate change and start making the links between individual actions, business actions and their effect on climate. Most of us think it's happening, there's nothing I can do. So we just are about to partner up with a lot of organizations, schools, education, business, business organizations, the county, the county health program and such on how do we actually start doing more outreach and information about global warming issues and climate change. We've had a very common interest with the county and we're -- I reiterate what Bob just said, we're very excited about the opportunities

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that exist for working together with the county. Especially in the areas of the social issues, health, low-income, things that the county really focuses on. This is an area that we really need to bring into the fold, because a sustainable community really has to deal with not just the environment and - - environment and the economy, but also the social equity issues. Thank you.

Saltzman: We also have amy, the county's sustainability point person. I don't know if you want to say anything or not.

Amy Joslin, Assistant Director of Sustainability for Multnomah County: Sure. My name is amy, the assistant director of sustainability for Multnomah county. I wanted to expression my enthusiasm for the opportunity this joint commission provides. As the county is trying to develop our own sustainability program, we look at this as a way for us to go about more effective policy making and mobilization of tools and resources that the commission and the city and the county can all provide. I want to also let you know the county board of county commissioners will hear this ordinance next thursday and however they've already expressed their support last april for an initial ordinance that looked at this joint commission. So they're well behind this effort. I think ken's already alluded to the powerful impact we can have on our vendors and suppliers when we work together, looking at our procurement efforts and bob's talked about our food policy. I know our health department is interested in the community health impacts and our land use planning is looking at some of the zoning and work they do within their office. So this is an excellent opportunity, and I hope you'll support it.

Katz: Thank you. Questions? Anybody else want to testify? Karla, do we have anybody signed up? Anybody else want to sign up? Thank you. Roll call. Sorry. It goes to second.

Saltzman: I just want to thank you while you're here. You won't be here when we vote. The commission has sometimes labored to find the right way to get traction, and I think the work you're doing is beginning to pay off. I think joining us with the county is the right strategy. Thanks.

*****: Thank you.

Katz: All right. Item 47.

Item 47.

Katz: Question -- why are we rejecting?

Sue Klobertanz, Director of Purchasing: The issue before council today -- sue, director of purchases for the city of Portland. The issue before council today is item 47, a request to reject all bids to furnish refuse hauling services from public trash cans in downtown Portland. This is before council as a result of a request for a hearing before council as a final step in the administrative appeal process and bruce here will speak to his reasons for request the hearing by the council. By way of background, this bid was issued in august, and after attempting to award the contract it was determined that due to numerous flaws and inconsistencies in the bid specifications, the bid was have to be rejected, that it was in the best interest of the city to do that. We believe the ors 279 and the Portland city code gives very specifically the city of Portland has the right to reject any and all bids and to rebid the contract. During the month of october, the city received a protest letter from highberg garbage saying we did not have the authority to take this action and jeff bauer, acting on my behalf, reviewed that as the purchasing agent and denied that protest. As part of the appeal process, the next logical step in the administrative process, they requested an appeal before the purchasing board of appeals. I believe you have a letter from mr. Daniel canause who absents as the board chair, explaining the board heard arguments on november 28th and after approximately three hours of testimony, the board held the city was entitled to reject all bids and that highberg's appeal should be rejected. The final step in the administrative process is for highberg has now appealed the board's decision to the city council as the local contract review board. The decision before council today is to either reject all bids and deny the request for an additional hearing by the council, or to schedule a time for an additional hearing. Should the city decide not to hear the

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appeal, the decision of the board is final. We would reject all bids and reissue hopefully an improved amended request invitation to bid on this particular need for trash can hauling services. I think with that, I will stop and answer any questions and then I believe mr. Highberg wanted to indicate why he believes the council should schedule a hearing.

Katz: What was the problem with the process?

Klobertanz: The clause specifically -- i'll give you an example. The city's intent was to have the collection frequency to be six times per week on sunday, tuesday, wednesday, thursday, friday, and saturday. However, in another place in the bid specs it indicated the intent by stating the specific days to be only five times per week. So when we review the bids, it's hard -- im's to for us to tell what the vendor is bidding on. Five times a week or six times a week? There was also an error related to the contract term in one place in the specification it said july 30, 2003, another place it said june. The -- there was a third error regarding the time frame. It was our desire to have the cans emptied between 10:00 p.m. And no later than 7:00 a.m. And another place in the specifications it read 7, colon, aa, am, which would have allowed a bidder to empty them as late as 7:59 a.m. So there were numerous flaws, typos, incorrect statements in the specifications that were not caught before the bid hit the street, and it made it extremely difficult to be able to tell with any surety who the low bidder was.

Katz: Okay.

Saltzman: Were the bids open and then the decision made?

Klobertanz: Yes, sir.

Saltzman: To withdraw?

Klobertanz: Yes.

Saltzman: How many bidders were there? Roughly?

Klobertanz: Three.

Saltzman: It's not inconceivable you could have called the bidders and said, you realize it's five days a week --

Klobertanz: Under ors 279 and our own code, those sorts of clarifications are not allowable because they're not insignificant in the bid price.

Saltzman: Even though it's our fault?

Klobertanz: Correct.

Katz: All right. We'll hear from you now.

Brian Heiberg, Heiberg Garbage and Recycling: Good morning. My name is brian highberg, sue -- my partner is bruce. Good morning. I want to thank you for this opportunity to address you this morning. I'm a partner with my brother bruce in a family-owned garbage and recycling company that's been operating in Portland for approximately the last 55 years. For the past 21/2 years, we've been providing the collection service downtown for the public, cans referenced in this appeal. I believe you received a letter from sue dated december 28th, 2001, briefly explaining what has taken place to this point regarding the bid for the collection of the downtown cans. This is actually the second time that this bid has gone out. The first time the bids -- this second time the city has rejected all bids for this service. The first bid was reject due to multiple errors in the bid document as well. That bid there were two potentially successful bidders depending on how you read the bid document. The rejection of that bid was proper. There would have been two depending on how you read it, two different companies would have won the bid. However, in this current bid, no matter how you read the bid document, highberg would be the successful bidder, saving the city some \$44,697 from the first bids that were submitted. In the second bid, the one i'm appealing currently, the main contention is whether all bidders understood the number of pick-up days. In three separate places in the first and second bid documents, the services requested were for six pick-up days. Nowhere in the document did it stay six pick-up days. However, when the

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document spelled out the specific days, it inadvertently left out a day. It didn't spell out each day. Everywhere in the document it said six pickup days. It's inconceivable a bidder would have taken this to mean they should be bidding on only five pickup days. Even if they did, would their bid be - have been lower for six days of pickups as opposed to five days of pickups? It just doesn't make sense. As a side note, the current bid we're operating on now doesn't list the correct days either. And we've been able to operate under that bid for the last 21/2 years. The purchasing board of appeals did decide that the city has a legal right to rebid this contract. And I don't dispute that. However, in this situation to rebid this contract for a third time would be unfair and underline the credibility of the bidding system. The reasons I have appealed to you, the city council, is because you have the power to correct this inequity and apply some common sense to this process. I will only need ten to 15 minutes of council's time to present my case. Please allow me this opportunity. It's the right thing to do. I'm not looking forward, I don't want to bring an attorney to present my case to you. We've gone through the purchasing board. It was expensive, and it was attorneys talking. It doesn't get down to what's right, what's the right thing to do here.

Katz: Sue, do you want to comment on that?

Klobertanz: He is correct, that we have bid and this project -- this project twice. Because of poor staff work both by the operating bureau who requested the bid and through the bureau of purchases, we find our self in this unfortunate situation. I agree that we shouldn't be here. We are looking into the matter from a personnel issue. But from a legal perspective, in maintaining a level and equitable playing field, both as the purchasing agent and the board of appeals have agreed that the appropriate thing to do in the best interest of the city is to reject all bids.

Katz: Go ahead.

Saltzman: I would like to ask that we do have a hearing on this. I think maybe legally we're right, but we also have to look at the role of the city as a business partner with the private sector this. Is clearly a case where we screwed up and this is my bureau, so I take some responsibility for this. But clearly I think this is a swaying where it's worth hearing the appeal.

*****: I'm --

Hales: I'm inclined to agree with that. This may just be a case where our discretion is understandably and appropriately greater than the manager in charge, and I guess I need to understand what -- so far from what i've heard from both you and mr. Heiberg, I don't see any community upside for going through the process again, given that you have a series of scrivner's errors, which the successful bidder interpreted the right way based on what we thought we were asking for.

Klobertanz: Although I agree this is an unfortunate situation, I do not agree with him that if you look at all the documents, look at all the bids you can clearly tell who the low bidder is. So if we were to award to heiberg garbage, for example, we believe the second low bidder could appeal and say that that was unfair because it is not clear what the city was requesting for services.

Hales: Do you think that's likely?

Klobertanz: It is probable.

Katz: Let me ask, if the council decides that they want to have a hearing, I need to make sure that every one of the council members has all the documents.

*****: Yes.

Katz: And that you identify the potential legal liabilities that may come about if they concur with mr. Heiberg. So that would be -- that would be an issue.

Klobertanz: The documents -- these are the documents the appeal board were provided, and this would be the same sort of packet that we would provide to the council should the council hold a hearing.

Katz: Okay.

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Francesconi: Now I have a couple other questions. Would the hearing be with just mr. Heiberg or would it be both -- with both parties? Who's the hearing with? If we get involved?

Klobertanz: In all honesty we've never done this before. The way the appeal board hearings are conducted, both parties, the city is heard from and our city attorney represents the city, and then the appellant would mr. -- also present their case. These are quasi judicial hearings, so they are legal, semilegal proceedings, the agenda, if you will, could be set at the council's discretion.

Katz: What -- what does that mean, the agenda could be set?

Klobertanz: The appeal board has decided when they hold a hearing that they allow for opening remarks by both parties, an hour of testimony by both parties and rebuttal comments. The council could decide on whatever schedule they desired.

Hales: When the appeal board held its hearing, what parties testified?

Klobertanz: I'm going to have to defer. I was out of the country. I'll defer to jeff bauer.

Katz: You weren't finished. Okay. I had the same question, whether we're -- we would only hear from mr. Heiberg or the other folks as well.

Jeff Baer, Bureau of Purchases: Good morning, jeff baer, bureau of purchases. At the purchasing board of appeals we heard from both parties. We were represented by the city attorney's office, who presented our hearing to the appeals board, and then mr. Heiberg and his attorney presented their side of the case.

Hales: No other haulers testified?

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

Saltzman: There's been no protest.

Hales: I think we have sort of a where's the beef situation.

Katz: Let's continue with questions.

Francesconi: The beef is from the party who didn't get it. There's a dispute here. You say, sir, you're a low bidder under any scenario.

*******:** That's correct.

Francesconi: But purchasing says no to that. So I guess I don't know how that -- how do we have a disagreement about that? Sue? Somebody?

Bauer: Jeff bauer, purchasing. When we had received in the bids on the second bid, 100956, we had received a protest from one of the other bidders who contended that they were in a position that they should be awarded the contract, and that's when we went back and reviewed it to see if we could as a matter of fact go back and justify the award to them, to Heiberg bargain.

Katz: I'll let you respond in a few minutes.

Bauer: Trashco services, one of the other bidders, had appealed the contract award.

Francesconi: So how could they be the low bidder? Under what scenario could they be the low bidder?

Katz: Trashco?

Francesconi: Yeah.

Saltzman: This is the third bid. That was the second bid.

Klobertanz: Let me just double-check the documents here. There were two bids. Trashco wrote a protest letter that really came after the second bid was on the street and proposals were received. In trashco's letter they referred to the first bid and the second bid, and said that they believed they were the low bidder and that we should reject all bids.

Katz: Which you did.

Klobertanz: Which we did. Heiberg's protest I believe was only on -- only on the second bid, and they are protesting our ability to reject all bids.

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Francesconi: But on the second bid, now, is there any scenario by which Heiberg could not be the lowest bidder under either the five- day or six-day scenario? They testified to whether it's five or six, they're the low bidder. My question may not make sense.

Klobertanz: I don't have a definite answer for you. We did not do that kind of analysis because in our opinion, we couldn't tell what people were bidding on. My last area --

Francesconi: The city attorney said you had the authority to do this. Did the city attorney recommend that you do this?

Klobertanz: Correct.

Francesconi: So that's different than your authority. This is also on the advice of the city attorney that we proceed in this fashion?

Klobertanz: Yes, sir.

Francesconi: And the reason the city attorney advised you to do this is what?

Klobertanz: Because it is unclear who should be awarded the bid.

Francesconi: So they were afraid you were going to be exposing the city from liability from someone else. They're -- they're not here, are they?

Katz: It was jim.

*******:** Also there is the issue if you award the contract based on the specifications and it's unclear what the vendor has said they will provide, what is the context of the contract? Do they do six days worth of hauling or five days worth of hauling? Do they do it between this time frame or that time frame? The specifications and the response to specifications set up the agreement for which both the vendor and the city come together. If we're looking at different pages in the specifications, we're really looking at different contract requirements.

Francesconi: Who's on this purchasing council that made a decision?

Klobertanz: The board of appeals is made up of daniel knauss as an outside business person, franna hathaway, my counterpart at the county, and normally it would be brant williams as a city engineer on this particular appeal, dave hill filled in for brant because he was unavailable.

Francesconi: Was it a unanimous decision?

Klobertanz: We believe so. We're not in the room when they deliberate. We receive their written report.

Francesconi: Was there another appeals board that looked at this.

Katz: Yes, it was unanimous.

Francesconi: Was there another group?

Klobertanz: No. Just jeff in my absence when I was out of the country.

Francesconi: This may be a legal question. This is a legal question. So let's assume that another - another -- we have to go through a third bid process. Does the person here who was damaged, had to hire a lawyer, do they have a claim against the city anyway?

Klobertanz: They could file in court, yes. Outside of the administrative process that we're going through now.

Francesconi: Regardless of whether they get the bid or not.

*******:** Correct.

Francesconi: Okay.

Harry Auerbach, City Attorney's Office: No matter how you do it --

Katz: Harry, identify yourself for the record.

Auerbach: I'm harry Auerbach in the city attorney's office. No matter what you do, there's the potential that someone could seek a remedy under ors chapter 279, either because you did or didn't award a bid. Having talked only briefly in generally with jim about this subject, I think it's our best advice that the most prudent course is to proceed in this manner because you have the greatest likelihood of doing the right thing.

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Hales: I'm having some trouble with this. Prudence is not just reducing the likelihood of litigation to the most smallest point, it's also the recognition of the fact that time is money in administrative functions, and we're talking about what a difference of \$50,000 in these bids potentially, and god knows how much we've spent already in process time, folks. So if it comes down to a choice -- if there was an ethical problem here, or if we were in danger of wasting money by accepting a bid that wasn't really the lowest bid, i'd have some energy for this. But we're going through a procedure that sounds like unless this testimony is completely wrong, that we're not likely to save significant dollars, and we haven't committed some ethical violation. Folks, we award change orders a lot bigger than this contract dispute.

Katz: Let me ask some questions with regard to this. If you could get to some agreement with mr. Heiberg as to what the contract language that you intended --

Klobertanz: I don't believe the law allows me to do that. Ors 279 is fairly strict as to the ability to negotiate in an invitation to bid situation. I don't disagree with what i'm hearing from the council, that sometimes common sense would be wonderful to use. Unfortunately, one of the rules of purchasing doesn't allow that.

Katz: Let me ask the question, so we have a hearing and the council feels that they want to award the bid to mr. Heiberg. How do we then know what mr. Heiberg is bidding on? What kind of service are we going to get from mr. Heiberg?

Hales: He's just testified --

Klobertanz: In that hypothetical situation we would award the contract and then probably have to negotiate an amendment to clarify the particular issues.

Katz: And at that point -- he says you can't.

Klobertanz: There is some question. The law is fairly strict in this area.

Saltzman: I think that's why we need to have the appeal. If there's a document that has six references to six days a week, and the only omission is one day in listing those six days, to me that's pretty strong evidence that the bidder knew what he or she was bidding on. And that's the type of information I feel that we need to see.

Katz: Let me ask mr. Heiberg for the final word and then we'll make a decision.

Heiberg: The trashco's appeal was based on the first bid document. They didn't file their appeal in a timely fashion. In that appeal -- in that objection, they said, we should have been awarded the first contract. And oh, by the way, you -- these things were wrong in the second, you didn't list all five days. You didn't spell them out. And that was their appeal on the first one. Trashco -- just -- trashco called the city before the bid -- second bid document was -- they were the second low bidder. They called the city to get clarification as to in their own letter they sent to the city, to get clarification as to, is it six days or five days? And in their own letter they've sent the city, they've got clarification on that. They knew what they were bidding on. If I was to have been successful at the appeals board, the city would have -- was not going to appeal that decision to the council.

Katz: Don't do your presentation. Let me ask the other question, if we have a hearing and hypothetically award to it mr. Heiberg, is trashco have standing to appeal the award?

Auerbach: Yes.

Katz: Then where are we?

Auerbach: In circuit court.

Hales: Or starting over.

Klobertanz: We would have to issue a notice of intend to award, following the council hearing. Stating our intent to award to Heiberg. All parties who bid at that time would then -- could protest.

Hales: And if we're challenged we could reject all bids then and start over. Right?

*******:** I suppose.

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Katz: Okay. What's the council -- what's the council wanting to do on this? Do I hear a motion?

Saltzman: Move to have a hearing.

Hales: Second.

Katz: Roll call.

Francesconi: Well, on the fundamental issue, as did the city screw up not once but twice, there's no debate. I guess on behalf of the city I'm sorry, sir, this happened. And I'm sorry it cost you money. I think you have a remedy against us if you choose to exercise it. I think having us have a hearing in front of you at which we don't know what the ground rules are, and our lawyers are have advised us not to do can only cost you more delay, frankly, and make this process even more messed up. So as much as I think that we have made a mistake, I think you have a remedy against us already should you choose to pursue it without a hearing in front of us, which I think could only delay this to you. So in a circumstance like this, which I have to say is a close call, we ought to go with the advice of our purchasing bureau and especially our city attorney in an area that we don't know what we're doing. And it is fraught with legal difficulties. But I guess last thing I want to say is, two strikes and we should have been out on this. It shouldn't take three strikes. So whatever the problem is, this cannot happen again.

*****: Yes, sir.

Francesconi: No.

Hales: Well, I guess we hear from people sometimes that we should run government like a business, and we know that that's a little oversimplified. But one thing business wouldn't do is waste all this overhead time on what could be swiftly negotiated with a phone call. I understand we have the law to worry about. But it's been my consistent believe that -- belief that we should make common sense decisions wherever possible and get sued for those, rather than make legally perfect decisions and get sued for those. So this seems to be one of those cases. I don't know mr. Heiberg, but the way I read him, he wants to empty trash cans. He doesn't want to file lawsuits. I think we can probably get to yes, in that the sun successful bid letters acknowledge they're unsuccessful. This that proves to be incorrect with have to start all over and go back into another bid process. But we -- if we have the opportunity to get to yes, we ought to take it and get sued for that if someone is so inclined. So I'm willing to have a hearing and see if we can't get to common sense here. Aye.

Saltzman: I agree with commissioner Hales. I think there's an opportunity here that we have some discretions we can employ and it's worth employment, if it's deemed appropriate, despite risk of lawsuits. And I also think it's important to demonstrate our ability to be a partner with small businesses who, again, don't relish the thought of hiring lawyers to pursue arcane issues like this. Let's take it on ourselves. Aye.

Klobertanz: We're voting the wrong direction. I need a point of clarification. The request before the council is to reject all bids. A yes vote means --

Katz: He made a motion.

Klobertanz: I'm sorry.

Katz: Go ahead.

Sten: I think there's -- this is a very tough one, I think. You have a good argument for us to having a hearing. Unfortunately in this case I think that -- there's a reason we haven't had these hearings before, and I think that creating a new process to take it to council looks to me like we're going to get taken to court by one side or the other on this thing. And for that reason I err on the side of following the attorneys and purchasing advice and saying I don't want to create another appeal process that -- although I think you have a good case and I apologize for what's happened so far. No.

Katz: I'm going to vote no, but I am very disappointed. I don't know who is to blame for three screw-ups, but that is not to happen again, whether it's one of our bureaus, whoever it is. So sue, I

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don't know if it happened while you were out of the country, or on vacation, but we cannot permit this to happen. My hope is that we move quickly with opening this up, clarifying and hopefully mr. Heiberg will be able to be successful. Excuse me.

Saltzman: As one of the bureaus in charge i'll make sure that doesn't happen.

Katz: No. [gavel pounded]

*****: Do you want another motion to --

Katz: Yes. We need another motion to reject the bids.

Francesconi: So moved.

Hales: Second.

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

Katz: Mayor votes aye. [gavel pounded] all right. So between b.e.s. And purchasing, let's get it right.

Saltzman: Sustainable development.

Katz: Okay. All right. 49.

Item 49.

Gil Kelly, Planning Director: Good morning. Gil Kelly, planning director from the planning bureau. With me is Susan Hartnett from the planning bureau project manager for the Marquam Hill planning effort. Last July you passed a resolution asking the planning bureau to prepare a Marquam Hill plan, and that had at its core three primary objectives. One is to address the 30-year development needs of Oregon Health Sciences University, second was to address neighborhood and city concerns about that development and expansion, and the third was to provide a starting point for a potentially substantial private bioscience industry that would relate to the research conducted at OHSU. We have as part of that resolution you asked us to independently evaluate some of the assumptions that are driving the proposed expansion, how much development happens on the Hill versus elsewhere, what those components are, how they are connected by means of transportation, and others. At the root of those is the claim and assertion that a high degree of synergy between different components on the campus and between campus components and off-site private components as well as sort of face-to-face contact of individual is critical in making these kinds of decisions. We feel we found a group uniquely qualified to help the planning bureau independently evaluate some of those questions and we have a contract before you today that will allow us to do that. It's with Battelle Memorial Institute Technology Partnership. This is a private nonprofit group that is uniquely qualified to do this work. They've worked around the country on a wide variety of biomedical campuses in -- and research and development facilities. This is -- project is a complicated and complex one. It is being expertly managed by Susan, and it is on schedule, and we're requesting your approval of this today to keep us on track and on schedule. Susan?

Susan Hartnett, Bureau of Planning: Thank you. For the record, Susan Hartnett, Bureau of Planning. I wanted to start by telling you initially we thought this issue of synergy and how the interactions between medical personnel and research personnel took place in academic medical research institutions would be a relatively simple thing to investigate and provide some independent confirmation and examination of. What we found first of all was that there is no literature within the professional journals that we've looked in and we've looked in everything from planning to economic development, to medical bioscience and industry journals, what we found is that this underlying assumption is clearly part of everybody's thinking within the industry and within medical academic institutions, but we've merchandised from several of them that it hasn't been examined, and several people have said that it's a Ph.D. waiting to happen. So it's a difficult thing for us to then figure out how we were going to pursue without bringing in some sort of outside consultant. In trying to identify who might be able to do the work and do the work in a relatively short period of time, and also keeping in mind that Council had specifically asked us to make sure

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we were looking independently at some of these underlying assumptions, we started to find that ohsu, like many institutions has worked with a broad variety of local and regional professional consultants and other groups so we found ourselves having to start looking farther and broader afield to try and identify a consultant that could do the work. Battelle memorial institute and their technology transfer partnership came to our attention both in those initial conversations we were having, they came up as a potential source several times. But they've also been cited in many of the industry journals and articles that we've read about bioscience and how it works. So we eventually turned to battelle to see if they were able, felt they were able and had the appropriate professionals on board to help us with this work. They are going to bring a very diverse team to this project. Specifically it includes walter placilla who has worked with a wide variety of state and regional governments. He's been an educator, consulting to a variety of governmental agencies during his career. A gentleman named josh drucker, who is a city and regional planner, that's his background, and a guy named I think it's edward hochman, an economic development expert the technology transfer agreement themselves have worked with a whole variety of bioscience consortiums at local, regional, state and interstate levels with a total of 38 states that they've worked with, and my understanding that is that there's 41 states right now that have a specific bioscience industry strategy in place, and battelle has obviously worked with a I number of those. The other thing that's of concern to me is that battelle is able to make the commitment to do the work in the time frame we've asked, and it is a very accelerated time frame. The work that we've asked them to do is to spend some time interviewing ohsu faculty and managers, as well as their -- the folks who've been working with them on their expansion plan, also spend some time with city staff who are working on both north macadam plan and macadam -- marquam plan. Psu has asked to participate and we've been very pleased they've wanted to participate in these discussions. And we're identifying a number of folks within the local bioscience and biotechnology industry that will also participate in those discussions. They will then take that information from their local interviews and do a benchmarking process where they will compare what they've learned about ohsu in the Portland arena and make some comparisons against a select said of u.s. Academic medical centers and bioscience industrial parks to measure the likelihood of success for what we're proposing through the marquam hill plan. So that's going to be a preliminary evaluation of Portland's potential to establish a successful bioscience industry, working on the understanding that ohsu's expansion forms the base, but there's other piece that's we need to be looking at over time. I think that this is a very important piece of work for the project and I think battelle is going to be able to deliver what we need in the time frame.

Katz: Thank you. Questions?

Francesconi: I guess I have some reluctance about this study, but I don't want to hold it up. So I guess if i'm the only one on the council that has any reluctance --

Saltzman: I have some reluctance too. Tell us.

Katz: Talk to us.

Saltzman: I'm going to vote for this, but i'm going to say I don't like sole source contracts and I don't feel you have done the necessary justification for doing this as a sole source. As I was discuss with gil yesterday, I understand there was an urgency from a time line point of view, I understand this is an important piece to have an independent consultant as opposed to somebody who's also working for ohsu to look at this question. But nevertheless, you should have done an rfp and you had time to do an rfp. I understand the response was, we talked to everybody and we looked and we couldn't find any names. That's why you do an rfp because sometimes you don't know who's out there. And I guess you made me other nervous by saying you searched the literature and found nothing on this topic, yet we're hiring a ph.d. Who has never published anything on this matter.

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Never the legislation, I understand the need to go ahead and i'm going to trust you this is the best outfit and the best person.

Katz: Let's open it up. Before we get to final decision, let's -- maybe there are people who can clarify some issues. Do we have anybody to testify? Anybody in the audience wanting to testify? All right. Further questions?

Francesconi: Gil, you and I had a good conversation yesterday. Apparently I said something at the first hearing that triggered a need for this study and I went back and talked with my staff and stride to trigger my memory. It was on the tram to make sure the tram was verified, the need for the trauma what -- is what I understood at the time the point of my conversation. The need to study the kind of, what was the word you used, the synergy between medical activity on the hill and research, has been studied. If it hasn't been studied in the literature, the fact we've got 40 states looking at it, the fact we have the study done at the legislature already on this, the fact that ohsu is banking so much on this, it just seems to me they're either going to expand in hillsboro or here. You're investing a lot of good effort and time, in fact I bet you 68 or 80% of your time is spent trying to make this happen. But I also have such high regard for you, if you're telling me that we need this, I find it hard to believe we need it. Having said all that, the last thing I want to do is delay this thing. I, contrary to commissioner Saltzman, think you're taking a right approach with sole source. The reason i'm going to probably vote for this, the worse thing we can do is slow thing this -- this thing down. I believe that the study will just prove that ohsu and what we've already concluded, what I think you believe, what I believe pdc believes, this is the best opportunity we've got for the long run for this city and even short-run. So I just think the study comes back and tells me there is no synergy, i'm not going to believe it, frankly. So I guess I want to be clear.

Kelly: I did want to say in response to that, thank you for your vote of confidence, even in the face of your reluctance, the state study is not on point here. It does look at ohsu's sort of internal capacity financially, and expertisewise to conduct a long-term plan of their own. It does not get at this notion of synergy between campuses. And that is something that has not been studied. It is at the root of the questions you were asking earlier about the tram, and in fact all the transportation questions that we've gotten into really keep coming down to this as being the sort of driving assumption and that became quite clear as the panel of experts on transportation made their presentation to the planning commission yesterday. In fact they acknowledged that this in fact was something they took at face value rather than question it, but they suggested that we in fact look at it and document that since all of the transportation discussion and many of the neighborhood concerns and city concerns that attached to those proposals and suggestions really rely on this set of questions about so-called synergy or proximity of uses.

Saltzman: My point commissioner Francesconi, is not that they should do an rfp now, my point is they should have done one to get us to this point. And they had the time to do that.

Katz: All right. Further questions? Roll call.

Francesconi: The only additional thing i'm going to say is that that prior report, study says, quote, a long-term plan is necessary which first addresses research space and facility states at credit -- a critical factor in the recruitment of researchers. It -- but also address the need for a strong local bioindustry. Maybe we disagree about that, but having said all that, let's move it forward. Aye.

Hales: Sounds like from this discussion we might be able to have -- we might be able to save time and money and improve the study's findings in advance today. Aye.

Saltzman: Aye.

Sten: I won't say a lot, but I think it's -- there's been some debate, it's all good debate, but I is important to make sure that we have a little bit of third party on some of the key questions. These are going to be pretty controversial things and I think the time you make small but important mistakes is when everybody is saying one thing so you go exactly with it. I'm a huge supporter

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much this project and I think it will actually work. But I think taking a quick look at a couple of pieces and making sure that what's right for Portland is exactly the same thing that's right for the other 40 states and that -- how the synergy and those issues work is going to be very important because there's going to be a strong -- and is, -- i'm hearing from a component of the community -- there's a lot of strong feelings about this. Aye.

Katz: Let me just say that all of you are right. I also felt a little reluctance and gil and susan and betsy know it. I don't like sole source contracts. I felt the same way we probably know this intuitively, but on the other hand this, is a big step for us in terms of our next level for development of new industries and this is an industry that's a little tougher than most. We don't necessarily have all of the positive components that maybe some other communities have. So we have to work a little bit harder and maybe pulling in the Portland state university at this point is a key component of it that maybe -- that may be that little extra energy that would make this successful. They've heard from me. I'm very happy that all of you independently have corroborated my nervousness, but I too will vote aye. Thank you. We stand adjourned until 2:00 p.m.

At 11:45 a.m., Council recessed.

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2:00 PM

* * * [Roll call]

Katz: Let me just say that we're very happy today to give out our safety recognition awards, and karla, why don't you read item 50.

Item 50.

Katz: Where's dan? He wanted to go first. Dan has another appointment, so he was going to go first. Otherwise, I go first. We'll turn that around. I want to say on behalf of the city council, thank you to all of you. You all have your work that you do normally, but many of you are -- all of you here have taken on the additional responsibility for making sure the workplace is safe for your colleagues and safe for visitors, and eliminate as much of the liability for accidents and for unsafe working conditions that we as a city are responsible for making sure that the working conditions in the city are safe, and you are our representatives and citizens to make that happen. And today we honor those of you that have done extraordinary activities to meet that goal and that purpose. And so we'll go through all of them. You'll all have a chance -- we've never gotten this right, so let's try it again. Come on up this way. You then will have a chance to shake hands with each one of us, and the council member that has the award will then walk over here, this way, to take a picture. Okay? So it will take a little bit of time, but we'll make it work. All right. Commissioner Saltzman?

Moore: He's coming.

(Commissioner Francesconi arrived at 2:03 p.m.)

Francesconi: Sorry, folks.

Katz: I don't know whether to -- let me -- i'll start and then i'll interrupt my presentation and give commissioner Saltzman an opportunity to do his, and then he'll leave and we'll pick up again. This is awards for safety leadership in risk management, and the recipient of the award is laura herring. While I read all of this, why don't you start coming your way here. Laura herring is an occupational health nurse for risk management. I have to tell you, when you got my flu shot, I learned that we had a nurse working for us. I have to admit, I didn't know that. So i'm happy to officially recognize you and give you an award. And the award to laura is for initiative and commitment to develop and manage the city's occupational infectious disease program, and I would imagine part of that is to make sure that we stay healthy and you give us the shots. Congratulations. Why don't you come in, shake hands with everybody. [applause]

Katz: Did any of you know we have a registered nurse? Now you do. I'll shift it over to you now, and then you can leave, commissioner Saltzman.

(Commissioner Saltzman arrived at 2:04 p.m.)

Saltzman: I have a bunch to give out. Are we doing --

Katz: Go ahead and do all of yours and then go.

Saltzman: Okay. Great. I will be happy to award some environmental service awards. The first one is to the wastewater storage group. That is steve patterson, sharon mull I gone, roy hovey, gina borsch and chris banford. They have no reportable accidents for five years. That is great. [applause]

Saltzman: The next award goes to frank buller of the bureau of environmental services. His award is for his years of practicing safety management on construction projects as exemplified by his work on the peninsula tunnel project. [applause]

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Saltzman: The next award is to Larry Erickson, Bureau of Environmental Services, for his efforts to improve safety through the use of test safety analysis and efforts to ensure safety parameters are included in construction specifications. Larry, are you here? [applause]

*****: On behalf of Mr. Erickson, I'll accept this award. [laughter]

Katz: No picture, though:

Saltzman: You gotta be here in person to get the picture. The next safety leadership award and the Bureau of Environmental Services for -- is for Katy Thompson. [cheering] [applause] and her award is for her efforts to promote safety and to develop safe safety specifications for contractors in the construction group. Congratulations. [applause]

Saltzman: The next award is for Brandy Bowers, Bureau of Environmental Services for her enthusiastic efforts to promote safety and safety policies and training procedures. [applause]

Saltzman: The next award is to Dan Wagner for driving a sludge tanker truck over 100,000 miles with no accidents or moving violations. [applause]

*****: He was unable to be here.

Saltzman: Can I see your I.D. To make sure you're an employee of B.E.S.? [laughter]

*****: Can I could say a couple words about Mr. Wagner, he hauls loads of sludge, he's got -- done this for over seven years, he's logged over 100,000 miles without any accident or injury, and not only does Dan do a great job, he's a tremendous ambassador to the city of Portland. Driving that big rig of his is very, very -- we really appreciate his efforts. He'll be pleased to get this. [applause]

Saltzman: The next award is the unsung hero. That's Richard Ludlow for taking the initiative and correcting hazardous conditions for the wastewater group. [applause]

Saltzman: You're going to become the collection person.

Francesconi: Are you getting one of your own, by the way?

Saltzman: This next one is also an unsung award, that's to Kurt Overmeyer for being an -- a constant and admiring advocate for the construction safety program. [applause]

Saltzman: The next is another unsung hero award, that's to Joe Blanco for his motivational safety communication and practices which have set a high standard for the industrial waste field operations crews. [applause]

Saltzman: This next award is working to make a difference. This is to the construction safety team of the Bureau of Environmental Services, which includes Jeff Baltzel, Neil Broysch, Jerome, Joe, Justin, Gary, Tom, April, Bill, Kurt, and Katy. I'm sure we must have some of them here. [applause]

Katz: Let me add that I think usually we let some of you say a few words, and I may have kind of skipped over it. So after we finish if any of you are moved to say a few words, some words you want your colleagues to hear or us to hear, please feel free to come on up and grab the mike.

Saltzman: Okay. We're working toward the end. This is another working to make a difference award to the wastewater group safety committee of the Bureau of Environmental Services. That includes Steve, Don, Steve, Randy, Dean, Dwayne, Neil, John, Dan, Obe, Tom, Arman, and Brandy. [applause]

Saltzman: Down to the last two. The next award is ergonomic improvement, the water water -- wastewater department for the best for the development of water canons to improve job safety. Anybody here from wastewater engineering? We'll have our ringer here take the award. [laughter] [applause]

Saltzman: This is another ergonomic award, Bruce -- is anybody here?

Katz: We've got a visual aid. Careful.

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Sten: Be safe:

Saltzman: Don't hurt your back.

*******:** I think you'll find this to be real interesting. The -- the folks weren't able to be here today, but a lot of them have taken the initiative to develop lifting devices, ergonomic devices to make it easier to lift and handle material, and i'm very proud of some of the innovative folks at the bureau of vertical services wastewater group that come up with devices such as this one lifting device they put together, they didn't get a patent on it, but it hooks on to a 300 hood river pound manhole and easily lifts it up and backs it out. It saves the trouble of sticking the hook in it and pulling it out and possibly wrenching your lower back. Same way with this rig and hoisting device that was developed by our wastewater group mill writes, another opportunity to safely lift things without putting a lot of excess pressure on backs and shoulders. I'm quite proud of these folks and the work they've done on that.

Katz: That's wonderful. You ought to get some patents. We could then give out money too at the same time.

Saltzman: Good work.

Sten: Good job. [applause]

Saltzman: Thank you for allowing me to go first. I'm sorry I have to leave.

(Commissioner Saltzman left at 2:15 p.m.)

Katz: We'll go back to general services, michael lasley. An award for safety leadership for his diligent pursuit of safety for the building maintenance crew. [applause]

Katz: Next one is the tower team. Bureau of general services. Jack baker, adam best, dave brooks, mike darfler, mike, gary, bob. The tower team. You are going to -- [applause] you are going to have to tell us what the tower team does.

*******:** Okay. We maintain the entire 800 megahertz system that the city of Portland uses.

Hales: Keep it up. [applause]

Katz: Next one is the general services safety committee, don, carol, chuck, thank you for your services in 2001. [applause]

Katz: This is the sworn safety team of the police bureau. Tony christensen, dale jansen, mike, jerry, kile, mike palmer, tim sessions, and tom. Are they all out on the field? [applause] [applause]

Katz: My last one on the nonsworn safety committee, Portland police bureau, jerry barr, nancy boxil, dan english, valerie, joe, mike palmer, ty, and alyse. Thank you for your work for 2001. [applause] [applause]

Hales: I have the next batch of these awards. I think it's great that we do this. First of all I think a lot of us have had coworkers hurt over the years and we know what a cost that is for them, so everything you're doing that avoids that situation is really wonderful, because we know what the other side of that equation looks like. And then for us on the council, I think this is just a great opportunity for us to hear more about good work that's going on out in the bureaus that we don't necessarily hear about otherwise. So I think this is a good tradition. We -- and I love this unsung hero category. I don't know if that's new or I didn't notice it last year. We're not going to sing, but we're going to at least notice. The first unsung hero is lynnette brown, a swing shift parking enforcement deputy. She was on her way to a complaint when she saw smoke rising behind some houses on the bluff along willamette boulevard. As she watched, the smoke grew. She parked her car, called the fire into our dispatch system, who reported it to 9-1-1, and then she started going door-to-door to alert residents of the danger. She pitched in and help a -- helped a lady remove belongs from her house, located her cats, and helped protect the homes by using a garden hose.

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Her immediate assessment and her need to warn and help residents in spite of possible danger to herself goes far beyond her duties as a parking enforcement deputy. At 7:15 in the evening after helping citizens, she returned to her regular swing shift parking enforcement assignment. Thank you, Lynette, for being an unsung hero. [applause]

Hales: A lot of city employees got to show what we're capable of that day, thanks to you getting the system started. Thank you. There's a safety culture in the parking enforcement operation in the city and we want to recognize that committee. I think at least some of them are here. Joe, Cheryl, Tom, Nolan, and Sue. Safety committee? Nolan, who is going to come up on your behalf? Or are you all here? All right, you're all here. [applause] [applause]

Hales: We have another unsung hero award, this one to Carolyn Bywater. She consistently and dedicatedly -- and done dedicated work as a member of the OPDR safety committee and service to the safety bucks program and her coworkers want to recognize her as an unsung heroine. [applause] We're going to get Carolyn and some others back up here for an encore, because we want to recognize the safety committee of OPDR making to -- working to make a difference. Carolyn, Chiropractor La, Mike, John, and Stan. So all of you who are here, come on up. Thank you OPDR safety committee.

Hales: Now we have a group of unsung heroes, Brian Potts, who's an EMTB, and Christie Walters, the first responder from sewer cleaning, performed CPR on a 47-year-old man who collapsed at a bus stop near where they were working in southeast Portland about noon on Tuesday, September 4th. They responded to a bystander calling for help at the bus stop. Brian called our dispatch and requested an ambulance and then started mouth-to-mouth ventilation while Christie did chest compressions. Seasonal maintenance workers James and Mike confirmed with dispatch that fire and American Medical Response were on the way. They kept bystanders back and helped control the scene. So Brian, Christie, and I think James and Mike are here as well. We have awards for all of you. No, we have someone to accept for all of them. Congratulations to all four. [applause]

Hales: Now we have an unsung hero award for Pete Linley for his efforts to make the safety program employee friendly. [applause]

Hales: This is a big group. It's a big bureau with a lot of folks in the field, and we want to recognize the Bureau of Maintenance Safety Committee for working to make a difference. We have hopefully a number of them here, Allen Berkeley, Merle Briley, Derek, Judy, Casey, Lynn, Brent, Richard, Mark, Sam, Jerry Johnson, Larry, EJ Laws, David Littleton, Pete Linley, Bill Long, Russell, Mike Park, Tony, Cindy, Tracy Rush, Chris Schindler, and Tom You Man, thank you for your service. [applause] [applause]

Hales: Another safety committee that's doing great work, the Street Systems Safety Committee. Allan Berkeley, Jim Davis, Tom Grattis, Randy Johnson, George Kenny, Tom, Mike Park, Clarence Rushing and Paul Thompson for your service in 2001. Please come and accept this award. [applause]

Hales: Our next safety committee, we appreciate their work, the Transport Systems Safety Committee for the Bureau of Maintenance. Ryan, Pete, David, Bill Long, Russ, Cindy, and Tracy Rush. Come on up. I think Pete may be in the position of accepting that award again. [applause] [applause]

Hales: The Street Cleaning Safety Committee for the Bureau of Maintenance. Larry, Oscar, Janet, Peggy Peterson, and Dave, and Mollie. Thank you for your work last year. Come on up and accept this award, please. [applause] Environmental Systems Safety Committee for the Bureau of Maintenance, Mike Bostwick, Garland, Judy, Ray, Peggy, Mark, Willy, and Pete. Thank you for your service in 2001. And either our designated hitter or one of you or all of you come on up. [

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applause] a special joint award for creative solutions to a combination of Portland parks and recreation and the bureau of maintenance for promoting safe for pored -- safer streets by initial waiting a process to enhance citizen compliance with tree pruning compliance. This is -- bruce, doug, doug, mike, terry, and gayle for special creative solutions between parks and maintenance.

Thank you for good work. [applause]

Sten: Thanks. I've got a stack for the water bureau and before I share, I want to say it's always great to give out these awards because I know of all the amazing work each of you do and how safe we do keep it. It feels particularly good this year. We had a tough year with the water bureau. Billing problems, labor issues, change of management, and I spent a lot of time out with the people on the street in the crews, and they worked very, very hard to make sure the service was seamless. Beyond, that through these stressful times, safe for the employees. Thanks for a very good year, despite some tough times of the here's the real stars of that year. Thank you. The first is our unsung hero, anita. She's well known to everybody at the water bureau. [applause] i'm not done with you yet. The award is specifically for anita's work as a member of the interstate safety committee, but anybody who knows anita knows she's keeping an eye on everything at the water bureau and keeping everyone safe. Thank you. [applause]

Sten: Next up, chris warner. I think we had an engineer write these for the water bureau. It says for his leadership in making safety the first priority in his work group. A little short, but we're known for that with the water bureau engineers. Chris is another person who's well known throughout the bureau for making sure that everything is going smoothly as possible and creatively and safely. Thank you, chris. [applause]

Sten: Next up, john stokes. John's award is actually for efforts which help us all. He did a bunch of thinking on how to improve the 9-1-1 response from calls made from city of Portland prefixes. Obviously that's something that's important to all of us. John helped to make sure that happens, in a more creative fashion. Good job. [applause]

Sten: Brian robinson. Is he here? Nope?

*****: He's out working.

Sten: Brian's award is for improving worker safety by moving the sampling taps to the top of the well vaults, which if you think about it, it makes a lot of sense. Now you can go from the top instead of the side or bottom and it's a lot safer. Tell him wherever he is sampling well vaults, good job. [applause] next up, I should have told you to stay up here, the operations safety committee, which is chris warner, mike popp, max montgomery, tina martin and jerry hinkle. Thanks for your service and keeping the operations safety committee going. [applause] [applause]

Sten: All righty. The interstate safety committee. There's a bunch, so everybody cop up who's here. Mike, roger, john, john, nancy, kelly, deborah, lewis, kevin, mike, and renee. Who is going to get it? [applause]

Sten: Who's here from the sandy river station? It's a long drive, but the glory is worth it. Robert, thomas, david, les, stanley, marty, lauren, charles, jerry, craig, david, larry, scott, fred, james, and earl. And if anybody has not had a chance to visit, i'd highly encourage you to stop by the sandy river station, these guys keep things running, they do it in the snow and the rain, and they do it safely. Good job. [applause]

Sten: Last but not least, certainly in the water system, is the head works safety committee. That's where it all starts up at the bull run. Allan, leonard, richard, dennis, kevin, steven, richard, richard, john, james, james, and tom. [applause] [applause]

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Francesconi: This is a special day for me I guess for two reasons. Following up on what the mayor and commissioners said, sometimes we don't realize up here all the hard work that happens.

We think of public safety and the public safety bureaus, but you do so much hard work that's dangerous, and today helps us appreciate all the hard things you do for us. So on behalf of the council, thank you. The second reason is it's a little nostalgic for me because in my prior career i've actually represented several thousand injured workers, and their families. And I know what can happen when a work environment is not safe. So again, thank you for all you do for yourselves and for the workers. In parks and recreation and then I have the fire awards to present, in parks and recreation, we have more than 10,000 acres to maintain, more than 247 facilities with an average age of 60 years. Which have a lot of hazards in them. And then we've served, like, more than eight or 900,000 people in our recreation programs, from lifting weights to all kinds of things. So the job is to keep the public safe, keep ourselves safe, keep the customers safe. Allan watson gets the first award. The safety leadership award for his efforts to set a high safety standard for his crews at the columbia wastewater treatment plant. Thank you, allan. [applause] [applause]

Francesconi: Then it's really the safety committees that set the tone and come up with the strategies and all -- in all the bureaus. In the parks and recreation, so i'd like to honor the recreation -- oops. First the safety committee for the bureau of parks, recreation safety committee for the bureau of parks and recreation. And that's barbara, laura -- laurie, kevin, nanette, nancy, and nancy.

Francesconi: The other safety committee is the operations safety committee that we want to recognize on behalf of parks who set the tone for the operations of the system. And that's steve, sandy, rob, jim, vern, kevin, allan and jerry. [applause]

Francesconi: Now we're going to switch to the fire bureau. We could really have all the firefighters here if we wanted to. But we're selecting several, and the first is the unsung hero -- they're out of order. I want to make sure i've done this right. It's good, because the firefighters and the bureau selected carol buchet. And they did it -- [applause] and they did it for efforts to assist in improving the safety and ergonomic plans.

Francesconi: The next is to john durr. John is for his efforts to improve firefighter safety through extensive evaluation of ground lighting. Thank you. [applause]

Francesconi: It's actually the training, the extensive and terrific training that john and other firefighters provide that allow the bureau to remain safe both for themselves and the public. The next award is to ed hanning for his efforts to improve firefighter safety through the acquisition of thermal imaging techniques and contribution to the light rail safety operation. Ed? [applause]

Francesconi: It's a lot safer to fight a fire in the dark with a thermal imaging that was just developed. The next is janet woodside-gomez. Janet? [applause] this is for creative solutions. Part of her work involves an -- as our occupational nurse. Mayor, if you didn't like the last shot you got, you can get them from janet. Thank you. [applause]

Francesconi: And the final award, which is to that again to that safety committee that sets the tone for the bureau of fire and rescue, and all these people deserve to be recognized in a very hazardous occupation. Jeff -- in fact, it's been identified as the most hazardous occupation in the country by national studies. Jeff, dwayne, steve, pat, craig, marty, bill, scott, roy, jay, we have a big committee -- jean i, dave, dan, loni, jeff, bob, janet. [applause]

Katz: Don't anybody leave. Does anybody want to share something with us that we need to hear that you have been wanting to tell us? Keep it within the parameters of safety awards, though. [laughter] about what you do and why it's important and what you've learned? Please feel free. There are two mikes here, come on up. Last chance. [applause]

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*******:** Thank you. Every year we've started a tradition in november of having a safety committee conference. Safety committees meet in november for a day and talk about all things that they're doing within their bureaus and we make a recognition event as also training event as well. And next year will be our third annual safety committee conference and so we hopefully invite all members of the council and the mayor to attend if your schedule permits and we look forward to our third safety committee conference next year.

Katz: Thank you very much. [applause]

Eric Fullman: I'm the safety manager. In safety we always struggle with management commitment. And we sure appreciate your time today. We know how busy you are, but we appreciate the time you've taken to share and recognize our folks and look forward to your ongoing support as well of our safety issues.

Katz: Thank you. [applause] come on up. We have two seats. Come on up.

John Stokes: I work for the water bureau. I'd like to express my appreciate as well for all your recognition and -- on the jobs everyone here has done. Further i'd like to thank the -- my bosses in the water bureau. I can start with mr. Sten on down, for their safety environment that they've created. I think ha stops -- starts from the top down, and i'd also like to thank one of the ladies that help me, marie, who also helped in doing our 9-1-1 response.

Katz: Thank you. [applause]

John Klum: I'm john, from the Portland fire bureau. I've had the honor of being the chair of our safety committee for the existing year. I'd like to say a few words of appreciation to the support I get all the way from the commissioner and the chief of the bureau on down on supporting safety issues. The efforts of safety committee are just -- sometimes they're amazing what can be done with a group of people that really put safety first. The other members that you honor today with your awards are -- i'm very appreciative of all their efforts because they're doing this as well the their other duties and they really take firefighter safety one step further. The other individuals that aren't recognized as much as the rhine personnel are our nonsworn people. I really appreciate you showing up. It's important. They're the ones that help reduce our workers' comp plus, our general liability issues, and stuff that really makes it a safer workplace and it's more cost efficient. Thank you very much.

Katz: Thank you. [applause]

Alan Watson: My name is allan watson, horticulturist for Portland parks and recreation. I would specifically like to thank the wastewater group. They -- my responsibilities for maintenance -- is grounds maintenance at the columbia wastewater treatment plant, and i've been very encouraged, i've worked there eight years now, and in the very beginning I was impressed with the safety environment. The -- everyone there was interested in safety. Encouraging safety, encouraging me in safety, and whenever they observed something for me and my crew, they always mentioned it to me. And it's always in a way of encouragement. And I have really appreciated that. So I just want to recognize the water -- wastewater group for being my mentor.

Katz: That's nice. Thank you. [applause]

Sam Irving: Good afternoon, my name is sam, bureau of maintenance. On behalf of the crew as well as my boss, i'd like to thank city council for this award. In addition i'd like to thank the bureau of risk management for their support and ongoing efforts in affecting our losses in the areas of safety, general liability as well as -- liability. Particularly i'd like to thank all of the folks in my bureau, folks on our safety committees, as well as our safety manager for your hard work and we look forward to seeing you again next year.

Katz: Thank you. [applause]

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Brandy Bowers: My -- i'm from the wastewater treatment plant. I worked on the council for the conference this summer this, fall, and all of our specialists, our designated hitter here and marv and all the folks from risk are the people that keep the energy going. Because we're out there working, but they're the ones creative and keep us going, and keep us -- keep our conference so we can get together and compare notes. I want to thank all of the folks for keeping our energy going. Without them, we just would be fumbling around. Thank you.

Katz: All right. [applause] there's one individual who has been putting all of this together and keeping the energy going, and keeping you from fumbling around. And he is retiring. And today is his last award year. And so we want to bring him forward. Dave baker. [applause]

Dave Baker: This is not supposed to be happening. By the way, i'm not retiring yet. [inaudible] -- so thank you everybody for keeping us safe and yourself safe and god bless you and we'll see many of you back next year. Thank you. [applause]

Item 51.

Sandy Duffy, Multnomah County Attorney's Office: I will give a brief description of the hearing. It is a limited evidentiary hearing. This means you may submit evidence to the council in response to any ex parte contact disclosures the council members may make. The evidence may be in any form, such as testimony, letters, petitions, slides, photographs, maps or drawings. Any photographs, drawings, maps or other items you show to the council during your testimony should be given to the council clerk. At the end of your testimony to make sure they become part of the record. The council has the complete record of all earlier city proceedings on the land use approvals for the east Portland community center. The council will consider this evidence together with any new evidence submitted in response to ex parte contact disclosures in making a new decision. These are the guidelines for presenting testimony and participating in the hearing. Any testimony and evidence you present must be directed toward the ex parte contact disclosures the council members may make. Before the closing of this hearing, any participant may ask for an opportunity to present additional evidence to rebut the ex parte contact disclosures. If this request is made, the council will either grant a continuance or hold the record open for an additional seven days to provide an opportunity to submit additional evidence. The council will hold the record open for an additional seven days to provide an opportunity for parties to respond to that new evidence. After the record is closed to all parties, the applicant is entitled to ask for an additional seven days to submit final written arguments before the council makes its decision. If you fail to raise an issue supported by statements or evidence sufficient to give the council and the parties an opportunity to respond to that issue, you will be precluded from appealing to the land use board of appeals on that issue. The next order of business will be for a staff report from opdr.

Katz: Okay. Duncan, go ahead, and then I want a little discussion with the council, if everybody clearly understands the narrowness of this hearing, which is on the ex parte contacts, and questioning on those. And then you mentioned any new evidence? Or did I misinterpret that?

*******:** Is -- if there is new evidence --

Katz: With regard to the ex parte contacts. Okay. Go ahead.

Duncan Brown, Office of Planning and Development Review: Duncan brown, with opdr. You have before you lur 96-430-cuad. A conditional use for the east Portland community center. The conditional use and adjustment also includes not only the community center, but a senior center, nonprofit food services, preschool, child care facility, baseball field and some school use. The approval criteria are contained in city code section 33.815.100, uses in the open space zone. 33.815.105, institutional and other uses in the r zone, 33.805.040.a-e adjustments, and the state transportation plan rule, oar 660-12-045. The site is located in central east Multnomah county just

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east of i-205 zoning pattern around the site is generally to the east residential, to the west commercial and institutional with some multifamily residential -- multifamily residential along the arterials and open space scattered throughout, or park areas. The site is shown in the green color in the center of the screen and includes both open space zone and r-5 zoning and a little commercial office zoning on the north. No development is being proposed within the commercial office area. This is an aerial of the -- this site in the center of your screen. The actual community center and the majority of the proposed improvements are within that circle. There's also some -- a practice field that's proposed in the upper right hand corner of the site. Here's a site plan. It's showing the floyd light middle school within the center of the screen. The proposed community center. And the parking lot and track loop relocation and the baseball field as well as some practice fields in the northeast corner of the screen. The council originally approved the conditional use in november of 1996. It was appealed to luba and remanded back to the city on procedural grounds that a council member failed to disclose in ex parte communication. In 1999, the council held a new hearing at which the previously undisclosed communication was described and in december, the council adopted a decision finding it had corrected the ex parte communication error that luba had previously identified, and reaffirmed the conditional use. The decision was again appealed to luba, and again remanded. Luba stated that the disclosure was inadequate and a new hearing was required. However, they did rule that the scope of the new hearing could kelci stecklein of an opportunity for ex parte communication disclosures by the council members, and an opportunity for members of the public to rebut those disclosures. Council consideration of the record compiled during the original hearing which we have in, we've got two copies here before you, and as well as evidence submitted during the rebuttal today. And then you could make a decision on the land use review. Ors 227.180 sub 3, the section dealing with ex parte communication is here. It says that no decision or action of the planning commission or city governing body shall be invalid due to ex parte contact if members of the decision-making body that receive the contact first place on the recorded substance of the written or oral ex parte communications, and then second, has a public announcement of the content of the communication and the party is right to rebut the substance of the communication as made. In summary, and i'm quoting out of portions of the luba decision, luba concluded that the city's only recourse on remand is to adopt a new decision on the application and one that is based solely on public disclosed evidence and testimony that is or was subject to rebuttal or the opportunity for rebuttal. They provided method for doing this. The city need not address issues or additional evidence on the points that had been resolved or were unchallenged in the initial appeal. Where the remand is based solely on the violation of the ex parte contact portion of ors, the city may properly limit its evidentiary proceedings on remand to remedying that violation. In other words, to disclose all undisclosed ex parte communications and provide an opportunity for rebuttal and secondly, to adopt a new decision based on the record as a whole, including that evidence submitted in rebuttal. So in conclusion, with a hearing consisting of first an opportunity for ex parte communication to disclosures by the council members, secondly in in -- an opportunity for members of the public to rebut those disclosures, third, council consideration of the record compiled during the original hearings on the conditional use, and new evidence submitted in rebuttal of those disclosures, and fourth, council decision a the land use review based solely on public disclosed evidence and testimony, the reason for the remand from luba should be adequately addressed.

Katz: Okay. So i'm -- are you finished? Did I interrupt you? Were you finished? Okay. First let me see if I understand. First the council needs to go back and disclose ex parte contacts from the very beginning, right, or -- and to current day.

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*****: Yes.

Katz: Okay.

Duffy: I would like to make one comment about that. Anybody who was not on the council at the time of the original hearings that those -- there isn't anything, any conversations that took place at that time. It's only since you have become a city council member that you would need to disclose any contacts.

Katz: And do we need to disclose the contacts from the very beginning of the hearing?

Duffy: If you were a council member at the beginning of the hearing, that is correct.

Katz: All right. Rosemary, why don't you come up. Why you alone in this discussion here?

*****: There are two other people.

Katz: I don't know if you heard, we are going to keep it narrow to the ex parte. I'm not sure I clearly understand what it is that you need or want, but before I do, i'm going to ask each of the council members to disclose ex parte contacts and then you'll have an opportunity to rebut that.

Rose Marie Opp, Appellant: I was told I would have ten minutes.

Katz: Don't worry about the time. I'm going to give you the time.

*****: Okay.

Katz: So.

Hales: My contact statement is in the record.

Katz: Okay. Is that significant enough?

*****: That is something that has previously been in the record?

Hales: Yes.

*****: Thank you.

Francesconi: I've had no ex parte contacts.

Katz: I cannot recall, I haven't had any, and if anything i've said, it's in the record.

Sten: I don't recall any ex parte contacts. As I thought about it, the only thing I can remember, and I don't think we discussed land use, I attended the grand opening of the center and I know I talked to rose mary on the outside, and she probably told me it was a bad idea. But we didn't have an in-depth discussion. That was the only one I can remember.

Katz: Why don't you identify yourself and then identify what you want to -- you want to challenge us or what you want to do.

*****: Okay. You said I had a good ten minutes.

Katz: I've give you ten minutes.

Opp: Here's some things you might want to pass out. I have a few more additions I want to put in.

Katz: In fact, i'll give you even 15 minutes. Since you've taken it this far, and it's come back to us twice. We'll give you 15 minutes, but stay on point, please.

Opp: Yes. That's one of the things that i'm going to have to discuss, because that's what staff has told you, but I have the 14-page document from luba, and it's more open than that. I cannot -- what i've been sent back for twice now is because the council has kept it narrow. And there is nothing there, there's no remedy. It's a loop that we're in about the ex parte contact. There's no substance, there's no rebuttal, so I asked for a rehearing, and luba essentially has said that what i've had in the past, which is all I would have today, is not adequate. That is not sufficient to remedy the purpose of ors 227183 or high on -- horizon construction. The order states, it's 14 pages, but in part of it, the remedial purpose of the statute is not satisfied by performing an empty procedural exercise that under no circumstances can result in a different decision. The city's only recourse in -- is to adopt a new decision and the application based solely on publicly disclosed evidence and testimony that is

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or was subject to rebuttal or the opportunity for rebuttal. However the city failed to do so, it concluded that what was known or could be surmised about the ex parte communication gave it no reason to revisit its original decision and ended the proceedings and that is insufficient to satisfy the remedy. So I prepared a statement and I would like to continue on with it.

Katz: Go ahead.

Opp: Commissioner Hales in the parks bureau set up this case with six conditional uses for the east Portland community center. I support community centers and community in the neighborhood. For me the issue is not the community center. The issue is the fact that nearly six acres of the 7.9 acre park would be taken from our neighborhood and traded for property for the center. That left us with essentially no neighborhood park. I believe the whole case was set up in a way that we could only address the community center conditional uses and not the loss of a neighborhood park. It was as if the city did not want an avenue for us to address this loss of the park. The press hardly made any mention of the park, the story was always about the community center. The story for me was about the park. Floyd light park was a beautiful park, rolling hills, wooded hillside, large firs, a park that had a master plan under the Multnomah parks master plan. Multnomah county parks master plan. The city signed an agreement to abide by this plan when we were annexed into the city and city violated the plan when they took this park. The tragedy was east county could have had a community center and kept the park. Let's not forget parkrose wanted the community center and offered Portland parks bureau five free acres of land. But this offer was refused and instead we lost our park. No community deserves to have a park taken like this. The committee did not select floyd light park, they selected another site in september. However, in november charlie Hales announced he had another idea -- to trade the park and in two weeks our neighborhood park was essentially a done deal. The neighborhood pleaded with david douglas school district not to participate in this trade that would take our neighborhood park. We're not -- when I objected to the loss of our park, the city planner said they did not take our part -- park, which was on southeast 111th and alder, they merely relogged it and it is now at 166th. When I looked at the plans, I saw a huge recreational center and a parking lot for over 100 cars. This same planner told me if I wanted to go to a park I should get on a bus and go to forest park in northwest Portland. The hearing for the center was in october of 1996. Mill park neighborhood association rejected to the loss. And asked me to -- of the park and asked me to bring the case to city council. The council finding stated the neighborhood could have use of the property when not in use by the school district. However there was no condition put on this. And the school district refused to sign a document that the property would remain in use as a neighborhood park. Then I found out that during the break of the hearing of october 1996, a commissioner had ex parte contact with an interested party. It's in my testimony about what he said. Essentially that east county is losing neighborhood park space, the council needs more testimony, refuting this claim to justify our vote for the project. Mr. Schwab I and I attended the november 6, 1996 hearing and asked council to address the matter. They refuse and said we could take the matter to luba. One of the reasons i'm bringing this history in is because a couple of you, particularly Francesconi, commissioner of parks, you maybe don't know this, I wanted to condense it so you'd have a background from my point of view. I did take it to luba, and I was given a remand because of the ex parte contact. The city did not schedule a remand hearing until october '99, and at that hearing the commissioner was supposed to disclose it and essentially he couldn't recall. That's where you were at that hearing. And so there was nothing of substance to rebut. I asked for another rehearing, a decision-maker engaged in an unlawful ex parte contact and did not disclose its substance and the city could give no opportunity for rebuttal of substance this. Was in violation of ors. The mayor said they couldn't

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give me a rehearing and I had to go to Luba. So I did. Luba again remanded the city's decision and then I go to the paragraph that I first read you, that they said I had more coming than just this very narrow hearing. Now, I would like to address the matter of disparities concerning this project.

And that has to do with the city of Portland's intergovernmental agreement with David Douglas School District. Now, these documents were made after the record and the hearing closed.

However, this issue I want to make it clear, it was raised by me, the petitioner, throughout the record. And I have the record numbers in here and briefs. So it appears that Multnomah County allowed a covenant to be removed and transferred, Multnomah County did this with the intent that David Douglas District keep that zone property open for the public, if you read that, whereas the district intends to keep the property described above open for public use when not needed by the district for Denny Neagle purposes. -- educational purposes. The council findings record 17 in the city's briefs to the court have stated the property will remain open to the public. However, the agreement to conveyance by the city to district -- frees the district from all encumbrances, eliminates Multnomah County's attempt in -- petitioner is not challenging the community center building, I'm challenging the loss of public park land through trade. And it goes on, my testimony, that's written, for the record, that these deed restrictions are still in effect until the final applicable appeal period, and et cetera. At the time of the hearing, I brought this up too. Not only is there -- I brought up that it was wrong for you to take that property, since you hadn't yet gone to Multnomah County. Then I found out that this was all done, these documents were done after the hearing, after the fact. The deed restriction is for the benefit of the public, neighborhood benefits as a park.

Of the county has not act the in the best interest. The conveyance interferes with the deed restriction. This documents were done after the hearing. And that also denied me an opportunity to respond or rebut. So it's almost like an ex parte thing after the whole thing was over, yet these documents are what is critical. What are critical to this land and this park and what's going to happen to this land. I also had no opportunity to rebut or question the adequacy of the documents that you procured afterwards that took the right for this community to use this land or any portion of it as a park. I raised what I could in the record, and at the 1996 hearing, so perhaps this is outside Luba's jurisdiction. Perhaps the appropriate review is through the circuit court to quiet title to the property and -- in favor of the intended beneficiaries of this deed restriction. A deed restriction is not just a land use issue, but it is a property rights issue. Deed restrictions, master plans, neighborhood plans, adopted by the city are in place. For periods in the city's history of public land abuse. Elected officials come and go, but public land, once taken is irretrievable. It can never be replaced. You have abused your authority. The taking of Floyd Light Park is a good example. You haven't been good stewards of our public land. You have the power, but ultimately the price is paid when you come to the citizens and you want money from them in a parks bond, it's the last -- the last measure was defeated. I can walk out of here today knowing that I did what I could to save this park. You did everything you could to take it park -- to take the park. I did it because I feel very strongly that past generations have purchased and created public parks that it's up to my generation to preserve them for future generations. And Robert F. Kennedy Jr. said it better than I can in November 4th Oregonians article last fall -- Americans don't have to choose between environmental protection and economic prosperity. In fact, he said, the two are closely linked. In addition, -to-what society gains monetarily from nature, we also benefit in this generation and those to come. We protect nature because it enriches us, he said. And when we destroy nature, we diminish ourselves and our children. There will also be a document coming from the Mill Park neighborhood association and a letter about a request, and I believe somebody

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else will be reading that. Unless you want me to read that one as well. I think -- i've skipped around, but I think i've --

Katz: Let me ask you a question. Did you want to challenge any of us on the ex parte contact issue? In addition to what you've just placed in the record? Just to make sure that we cover that.

Opp: Well, the 1996 hearing, which was extremely limited, in fact it was only lindberg testimony, my rebuttal, and your -- most of you were here, so that's a loop from which -- for which there is no remedy. But what it looks like is that what's very critical to this land, and it is public park land, it looks like the Multnomah county released it with an understanding that it would stay open, which is what your council findings said. But then when charlie Hales did the agreement with david douglas, it looks like he frees them of any of these encumbrances. So there is a disparity here. These are things I want to flake clear. It happened after the record. There was no -- at that time, how could I take it to luba initially, because the intergovernmental agreement with Hales and parks and david douglas did not occur until april of 1997.

Katz: I understand.

Opp: Do you see what i'm saying? All these critical pieces were done after, but yet they're important.

Katz: Council, do you have any questions of rose mary?

Hales: Is that enough clarity, katherine?

Katz: Come to the mike, or I don't know if you want --

Kathryn Beaumont, Sr. Deputy Attorney: I would like to see the council --

Katz: Afterwards, okay.

Hales: What my question to you is, the mayor asked whether she wanted to challenge ex parte statement and she didn't answer the question yes or no. Is that sufficient?

Opp: Which statement are you referring to?

Hales: She asked you a question. I'm asking the city attorney whether we need anything further. I should ask you that, i'm sorry.

Duffy: Okay. In actuality, because there were no statements, every one of you said you had no ex parte statements, her testimony today -- she can't -- she doesn't have anything to rebut. That is the bottom line.

Opp: The same thing happened in october of 1999.

Duffy: And therefore all the testimony today is beyond the scope of the hearing that was noticed for today. And we will deal with that after you deal with your other witnesses.

Katz: The question I really asked, do you challenge any of us in terms of our response toll the question that I asked the council members?

*******:** Hmm.

Katz: And you may not be able to.

Opp: I might have to watch the tape, I might have to think about, you know, this record is 1700 pages. It's like four telephone books. I believe that initially if the council on 1996, october 15th, would have addressed the ex parte contact, maybe there would have been a recall. But it was held off until 1999. Like she said, you haven't said anything, so --

Katz: Okay.

Duffy: Perhaps the question to her could be whether or not she has any evidence that any of the four of you have had any ex parte contacts.

Katz: That was my way of saying challenge, but you said it better than I did. Thank you.

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Opp: You've told me you hadn't. Commissioner Hales, I forget what it was, but you did have something in the -- it was very kind of benign. You had a page in those 1700 pages. I believe that there was ex parte.

Katz: You believe there was.

*****: M-hmm. I believe that. Yeah. But I --

Katz: But you -- there's no way -- I see. No way you can identify who, what, where and when.

Opp: Right. Because there was a lot happening with this intergovernmental agreement, with, you know, the county, the city, the properties, and, you know.

Katz: Okay. Further questions? Who else wanted to come up and talk with us? Anybody else? The two of you. Fine. Why don't you come on up.

Lawrence Hudets, Board Member, Mill Park Neighborhood Association: I'm one of the board members of the mill park neighborhood association, and because what we thought the scope was going to be widened, other than the same scope that the original ex parte contact hearing was over, we do have some statements we want to make to -- that go to a broader sense. I the have something else to say as a person on the gateway pack as well. There's a tie-in here.

Katz: Oh, I think -- I think that goes far --

*****: I just wanted to say, can I -- because it ties into what i'm going to say.

Katz: Go ahead.

Hudets: Okay. You can -- I wanted to break that apart to give you a chance to say no. The letter to city council from mill park neighborhood association, no -- the neighborhood association did not want to lose our neighborhood park in a trade for the community center. We use nearly all our funds in 1996 to save the park. In order for an association to take the land, the case to the land use board of appeals, the association would have had to have raised thousand of dollars more for an attorney. An individual can take a case to luba without an attorney. Rose mary was our land chair.

We asked her to take the case to council and we supported her in her decision. The mill park neighborhood plan was adopted by 61 -- the city in march 1996 and that plan was supported the community center and asked the site be located on a major arterial. We also had under palsy 3 parks and public spaces. Promote and improve public institutions in open spaces within mill park. Objective five was, develop and maintain existing neighborhood parks, floyd light park, midland park and mill park for all residents to use and enjoy. The association worked in good faith with the city on this plan. Maintained existing parks means just that. Now we feel the plan was merely an exercise and the efforts of a neighborhood plan doesn't count for much within the city. We would like to have some restoration of faith within the city. We request that as a minimum, you put as a condition in writing that the os zoned land, floyd light park that was traded, that is os zoned land, remain in use as a neighborhood park. That this os zoned land be remain in use as a neighborhood park. We've also noticed david douglas school district does not use much of that os open space property. We would like to have you purchase some of that property back for the neighborhood and do what the Multnomah parks master plan had in mind for the neighborhood, a neighborhood park including a playground area for children. This is a plan you agreed to. Now the parks bureau is saying the east county's deficient in park land. Our negotiation knows how much density and growth has been added to the neighborhood yet we have less open space park land. This is the purchase that could help heal the attitude that the council doesn't care about east county residents or their neighborhoods.

Katz: Questions?

Ken Bruneau, Mill Park Neighborhood citizen: My name is ken, i'm a citizen of mill park neighborhood in the city of Portland. I wasn't at either of the last two meetings, but I did study the

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tapes some, and while I viewed the tapes I noticed there was a question asked, I believe it was by vera Katz, mayor, what do you want. And that question never got answered. And i'm here to kind of give you some ideas of what we want over this whole thing. There was an ex parte discussion by mr. Hales and mr. Lindberg, and for all know, it was about the kids' little league. I have no proof one way or the other. But as the question was asked, what do we want, i'd like to give the council some idea. Rose mary's letter and our mill park letter is already presented. My problem is that what happens if david douglas high school abandons the floyd light school as they did at russel, they abandoned the school, it was sold off. And apartments were built on it. I understand that david douglas school district refused to sign a commitment not to do this. I might also state that david douglas school district has not been a good neighbor in the mill park area, as they, one, prevented the community center from going to russelville. They sold that property off because they wanted money. Two, they prevented the waldorf school a real gym that could have been in the mill park area from being built there. It really antagonized us, and they still haven't done anything with the property. Who knows, they may be building apartments on that land. Nothing can prevent them from doing that. Number 3, this is the one that really irritates me, they were conspicuously absent at all the meetings to retain the midland library inside mill park. A real asset that the david douglas school district, having a closer high school, I felt was necessary. And a real need. But they never supported us, and we won the fight anyway against the county. So what I suggest is that the city council get together and have david douglas make a commitment force them to make a commitment that they're not going to sell that property off our apartment buildings on that park if they decide to abandon. And I think the others have already indicated that some of the - - some of it probably could be sold back as a park, but i'm not sure of the feasibility of that. Anyway, my attitude is, we can't trust david douglas school district. They're an entity and they feel they can do anything they want. They've been a bully in our neighborhood. I do support education, high publication supporter. However, they're using their muscles to do a little bit more than educate the kids in our area. And we thank you.

Katz: Thank you.

*****: Excuse me. Would I like to ask for that [inaudible]

Katz: Request for a seven-day extension.

Duffy: That would not be appropriate in light of the fact there were no disclosures made. The idea would be if you made disclosures then they can ask for additional time to rebut that information.

Katz: Okay.

Opp: What is the statute on that? Is there a law on that?

Duffy: Well, yes.

Opp: I guess i'm challenging that.

Duffy: Okay.

Katz: For what purposes, rose mary?

Opp: Well, I don't have it right at the top of my head, but I know in the past i'm not even sure what capacity, but it seemed like a seven-day was --

Katz: We'll talk in a little while.

*****: Okay.

Katz: Are there any further questions by the council? If not, thank you. Katherine? Come on up. You were going to say something, you were going to talk to us and I wanted to ask you a hypothetical question and i'm afraid to ask a hypothetical question until we close this case.

Beaumont: I'm kathryn, with the city attorney's office. I represented the applicant, the parks bureau, in the original proceedings before the council. And i'm here representing parks bureau

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today. What I have to say is very brief. I would have check -- I would object to the bulk of the testimony that you have heard today. I believe it's beyond the scope of the hearing, that it's nonresponsive to the issue of ex parte contact disclosures. And that particularly the testimony concerning the issue of various agreements between the city and the county or the david douglas school district, was an issue that rose mary raced -- raised before during the initial proceedings. It was addressed by the council in its original decision. She had the opportunity to raise it to luba and the court of appeals. The issue of whether or not various parties are abiding by the terms of various agreements is beyond the scope of this land use proceeding. And I would ask you to reject the written testimony from both the mill park neighborhood association and from -- in the alternative to give it very the weight.

Katz: Okay. Questions of kathryn?

Hales: I just have a question for our legal counsel.

Katz: Thank you. We'll probably not reject the testimony, but accept it and give it -- I don't know how to describe it, the weight that it -- the weight that's necessary. Yes? Go ahead. Commissioner Hales --

Duffy: I was going to suggest that it would be perhaps appropriate to have a motion as to whether or not this testimony and the written documents today should be included in the record. Clearly they do not need to be because they are beyond the scope of the hearing.

Hales: Is there --

Francesconi: Is there any harm by doing that?

Duffy: I think it leaves open additional arguments upon an appeal from this decision.

Hales: I'll move that we reject the testimony.

*******:** And the written documents.

Hales: And the written documents received today because they're not germane to the case before the council.

Katz: Do I hear a second?

Sten: Second.

Katz: Could you -- before we take a vote, could you respond to commissioner Francesconi's, the harm --

Duffy: At this point it's hard for me to extrapolate what it could be. Having been involved in a lot of luba appeals, this is -- this gives an appellant some additional information to make arguments about. They may not be valid arguments, they're not going to be winning arguments, but they are still issues that perhaps will have to be addressed by the city in responding to an appeal.

Katz: Okay. Roll call.

Francesconi: Aye. **Hales:** Aye. **Sten:** Aye.

Katz: Mayor votes aye. Motion passes. [gavel pounded] any other questions?

Duffy: I have a clarification I think would probably be good at this time. That is that commissioner Hales indicated that his response to the request for disclosures was what he had in the record. What I think would be good to clarify is whether or not you have had any ex parte contacts since the information you placed in the record has occurred.

Hales: No, I have not.

Duffy: Thank you. And then additionally, for purposes of having a good record, the council members who were not involved in the prior hearings whom I believe to be commissioner Francesconi and commissioner Sten, should place on the record that they have reviewed evidence in the record and feel confident to vote if that is indeed the fact.

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Francesconi: I did back in october of '99. I haven't done it since, so I did it at the time of the last hearing.

Duffy: So you have -- are familiar with the record.

Francesconi: Right.

Duffy: And you're prepared to vote today?

Francesconi:

Sten: I did review the record and I feel comfortable in voting today.

Duffy: Thank you. At this point you could go ahead with the discussion or proceed to make a new decision to approve or deny the application.

Hales: I move the council adopt council order and findings supporting the conditional use and adjustments necessary for the construction of the east Portland community center.

Duffy: Perhaps a clarification that this is a de novo matter so you are making the decision anew, a completely new decision.

Hales: That's what I said. Council order and findings to support that order for the conditional use and the adjustments.

Katz: There's a second.

Sten: Second.

Katz: Roll call.

Francesconi: Aye. **Hales:** Aye. **Sten:** Aye.

Katz: Aye. [gavel pounded] the motion passes. Now that we have disposed of the legal issues, I guess I need to ask a question of commissioner Francesconi today, I don't mean to put you on the spot, but you don't have to answer it today, but think about it. In terms of having a conversation, if you haven't had it, with regard to the future use of the site, is there any possibility that you can have a conversation with the school district?

Francesconi: Which site? The one you were talking about?

Katz: Yes.

Francesconi: The one you purchased? I'd be happy to do that. I've had a preliminary conversation about their need for a school site. But the issue about if they don't use it for a school, i'll be happy to do that, to make sure it's public space and open space as opposed to apartments. I'd be happy to do that.

Katz: I think that's one of the -- and maybe after we adjourn you can have a brief conversation. I think that's one of the issues that you keep raising, and we'll -- I think that's easy enough for us to do in terms of future use of the land.

Francesconi: I'll be happy to do that, and i'll get back to you on that, sir. Just contact my office. Give me your -- a way to get ahold of you and i'll get back to you.

Katz: Okay.

Duffy: A final matter is I understand it's appropriate for you to set a date for the findings to be brought back to you.

Hales: Next week?

*******:** A week? Two weeks?

Hales: Two weeks.

Katz: Okay. Two weeks. Thank you, everybody. And we stand adjourned until tomorrow at 2:00.

At 3:45 p.m., Council recessed.

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2:00 PM

Katz: Council will come to order. Karla, please call the roll.

Katz: Present. [laughter]

Katz: My staff.

Francesconi: That was a wicked laugh. [laughter]

Katz: We have got a full agenda today, and a couple of still sticky issues that we hope to resolve and move forward. I will be quite honest with you, I have about had it with this issue, at this point.

And all the other pieces of it coming back over and over again. But, a lot of work has been done by a lot of people trying to do something that will actually make things happen. And I will be patient and work through all these issues with all of you. All right, there are a couple of tasks ahead of us, and karla, first, why don't you read the item.

Item 52.

Katz: Okay. So, we first need to move the substitute. Correct? Do I hear a second?

Hales: So move.

Saltzman: Second.

Katz: Any objections? Hearing none, so order. We have a substitute now. Before us, and it replaces the, the november 13th. Okay. And the november 13th replaced the june 14th. And the june 14th replaced -- all right. Then we have a couple of action items that we need to move on, and then there are still some issues that have been flagged, primarily, surrounding the parking issues that were raised last time, and I understand still sight-see issues, but maybe yes, maybe no. So, I am going to turn it to either one of you, or both of you, and let's kind of go over this --

Gill Kelley, Director, Planning Bureau: Okay. Thanks. Well, we are here today with what we hope is the final set of actions on the west end, at least the zoning end of things. We will be moving forward with the larger west end downtown development strategy work, and we are all anxious to get onto that. We are hoping today that we can conclude the zoning issues that have been discussed now for several years. We came to you, you remember, in october with an outline of how we might resolve the outstanding zoning issues and got direction from you then. We returned in november with a more specific list of things and we have followed that direction we got from you then and have put those into specific code amendments and that language has been circulated for comment. We are now down to having a final set of regulations in front of you as the mayor mentioned, there have been in recent days, communication from the west end steering committee about nine remaining concerns they had about some of the policy language. He will go over those, just very quickly. Six of the nine are things that we're in agreement about in terms of making changes, leaving really only three that are of any substantive concern between the planning bureau and that, that group. I will let graham explain what those are.

Katz: Before graham does that, do you want to wait until the very end to deal with the change in language from the west end to the central city on some of the action items? Is that -- would you prefer to, that we take all of that?

Graham Clark: Actually, the way that we structure it had, is we deal with the policy first, and then some of the zoning. Then we talk zoning codes, so --

Katz: Okay. Go ahead.

*****: If that works.

Katz: Fine.

Clark: So mayor, you already spoke about the ordinance and that we are now working off january 6th substitute for a november 13th ordinance. We are also working off a newer version of a

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resolution that was originally offered, and that newer version is the november 13th resolution. That's for the action chart, the urban design plan, and some central city plan actions. Council, has already acted on the resolution that directs the bureau of planning, pdc and the office of management and finance to look at a fiscal strategy for implementing the west end plan. So, the recommendations before you today are changes to the central city plan, changes to the zoning map, and changes to the zoning code. And barbara is going to speak first about the central city plan.

Barbara Sack, Bureau of Planning: I will present just briefly the changes we are asking to you make to the central city plan, and we're also going to take -- ask you to take action on some action items that were deferred at the november 21st hearing. The changes we are asking to you make to the central city plan are, adding a new west end policy, a new west end urban design map. Adding one new housing action chart item. Making a change to the culture and entertainment map and taking action on some, some action items for the salmon street corridor. First, we are asking --

*******:** We did adopt action items --.

Saltzman: We did adopt action items in november.

Sack: Yes, we adopted the west end action chart. There was one additional request, and then there was some action items that were deferred, remember. Tim ramus --

Katz: Requested for us to defer.

Sack: Right. So we are going to make a recommendation. Okay. First, the new west end policy will be added to the central city plan. This new west end policy will provide the policy basis for the creation of the new west end subarea, which is part of our zoning code changes. I am not going to go over all the changes to this policy. This is the planning commission's recommended policy with some changes. The changes are made in according with the recommended changes of requests. Most of these are pretty minor --

Katz: If anybody wants to follow their, they are on page 3 of your document.

Sack: Okay. I am not going to go over all the changes. Most of them have to do with substituting the word "residential" for "mixed use" as an adjective describing the new neighborhood in the west end. There's been some substitution of the word "commercial" for "retail" in some of the further statements. And lastly and most importantly, the staff has proposed to add a new further statement to the policy that provides the policy basis for the new code changes for the area north of salmon and west of 11th. We call for enhancing the mixed use character of and encouraging new development in the area north of salmon street by providing incentives that will prompt owners to convert the surface parking lots to new development, retaining and increasing opportunities for commercial uses, including small and emerging businesses. Promoting the location of active and lively uses adjacent to sidewalks, and providing incentives for the development of housing that increases the attractiveness of developing housing when compared to office development.

Katz: That's on page 5.

Sack: Are there any questions?

Katz: Let me just ask, these are, in terms of the public testimony, these are new items that the public has not yet testified on, yes? No?

Sack: The public hasn't testified on the changes.

Katz: Okay. So, please, I will ask the council to make note, or ask questions. We're not going to vote on it until we hear the public testimony, and then we will take a vote on all of them. If I don't hear anything from the council, I am assuming that at least the ones where there is silence, you are all right on it, and then we will wait for the public testimony. Okay.

Hales: You are going to flag the ones where the council needs to address the question of central city-wide versus west end district, right?

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Sack: Right. These are action items.

Hales: Right. But aren't there action items that fall in that category, too? I guess not, just code changes.

Sack: There is also action items.

*****: So you will point those out for us, please?

*****: Yes.

*****: Good.

Sack: As you remember, you adopted the west end action chart, and you also adopted four other actions that were added to other action charts in the central city plan. But, there's been a request for an additional action, so I will come to that.

Katz: What we just -- we just heard is the west end policy statements.

Sack: Right. We adopted the action chart before the policy, but the actual chart accompanies the policy and explains how, how the policy will be carried out.

Katz: We adopted action chart, page 7. And 9. And 11. Keep going.

Sack: Okay. Next, we are asking council to adopt a new west end urban design plan map. That's on page 17. The urban design plan map accompanies each of the district policies in the central city plan, and it includes the urban design ideas that are in the action items. This urban design map includes some features that are in the downtown subarea design map, since the west end is being carved out of the downtown subarea. And it also includes some new items, including creating a great street along southwest 10th avenue, and doing more street-free plannings and creating a green street along southwest 12th. We have also added a note here in the central city plan, there's a designation of decking over the freeway on that map, in the west end, we want to indicate that there's a priority for decking over the blocks where the light rail crosses. There have been no changes from the planning's commission's recommendations to the designing map, and we haven't received any testimony on it. It's illustrative for the most part.

Katz: Keep moving.

Sack: Okay. Next, there's a new housing action chart item that has been requested by the west end steering committee.

Katz: And that's page 23. For any of you following with me, I am trying to help you a little bit here.

Sack: It calls for identifying and implementing strategies to foster the development of owner-occupied dwelling units and the action item originally read within the west end, both affordable and market rate. Since the steering committee has asked that this item be added to the housing action chart, we would like to strike within the west end and add, in the central city. The implementor of this action item would be the housing manager's group. This is an interbureau, intergovernmental group that meets to discuss housing issues. We reviewed this item with the housing manager's group at the december meeting, and they agreed to be the implementor of it. So we are recommending approval. And certainly, owner-occupied housing is something that's been discussed in the lloyd district and in other places in the central city.

*****: Okay.

Sack: Next, we are asking council to adopt a change to the culture and entertainment map that accompanies policy 9.

Katz: That's page 25.

Sack: This is an old map that we had scanned in. If you look at the burnside triangle area, the change we went to the map is that we want to designate an entertainment district in that area and the reason that we have this -- we have put this on the culture and entertainment map, as opposed to

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the west end urban design map, is because we would like to include the blocks north of burnside in this entertainment district. Powell books is north of burnside and we felt this should all be included in this new district.

Saltzman: So what are the borders of that new district?

Sack: It's 9th, the freeway, couch, and Washington. And we haven't received any testimony about this. Okay.

Katz: Keep going.

Sack: Okay. Lastly, there were some action items that were requested by tim ramus and george schnitzer that have to do with development in what's called the salmon street corridor. And these are the blocks between southwest 13th and 9th, southwest main and salmon.

Katz: Okay. You lost me now. What page are we on? I don't have that.

Sack: This is not in exhibit "e".

*******:** Okay. This is something that we realize that we needed to bring up to council. It's referred to in the notes in exhibit "e," but we wanted to make sure that we saw what these action items were.

Katz: Do we have that in front of us, anywhere?

Sack: It's in exhibit "d".

Katz: (d), all right.

Sack: Exhibit "d," and it is referred to, the downtown development strategy. And that is at the front of the document --

Katz: Give me a page.

Sack: Oh, wait, it's not in that. It's in -- sorry. The recommendations are in exhibit "b," on the action items. It is in the handout that we gave you the last time, which was the summary of the recommendations in exhibit "d." this is what we gave you on november 21st. It's on the last pain. -- last page. It says, "action item amendment request referred other processes."

Katz: Why don't you give us, a hint for everybody, what that includes.

Sack: Okay. These are action items that relate to development in the salmon street corridor. Which is between main and salmon in the west end. In that corridor, there's a lot of -- a number of large vacant and underutilized lots, a lot of service parking lots. There's been a group that's been meeting, that's talking about doing a development strategy for this area, and it is called the salmon street corridor development plan. This group asks that we include these action items in the west end action chart, and they talk about improvements to the salmon street, undertaking a mid town west end development strategy. Possibly changing regulations for the area. And facilitating the development in the four blocks that comprises the salmon street corridor. We feel that these are good ideas and we do very much want to see that portion of the west end redeveloped because this is an area that's very underutilized. However, we felt that since the planning for the development in this area is just beginning, that these items ought to be referred to the downtown development strategy. Which will be coming up after the end of the west end project. We have talked to a number of people and they have agreed to this.

Katz: So we are not going to act on it today? We can act on it but refer it to --

Sack: Right, yeah.

Katz: Got ya.

Sack: We would like to ask the council to refer these to the downtown development strategies.

Katz: Got you.

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Sack: So these are all the changes we are asking to you make to the central city plan and the action that we are asking to you make on these outstanding amendment requests that were left over from the november 21st hearing.

Katz: All right. graham, how would you like, would you like testimony on just those pieces or us to continue going through everything?

Clark: I think that we are best to proceed with the zoning code proposals, and move forward through it all.

Katz: So everybody keep track of what we are doing. We are trying to keep it so that you can follow us.

Clark: So, there are really very few changes to the zone map that the planning commission recommended. They are on the next slide here. One of the places -- the pages, it's toward the end of the whole document, it is actually page 109. The planning commission recommended two zoning changes over the i-405 freeway. Those are the ones south of salmon. They -- also they recommended three different parcels north of salmon. Two parcels right up against burnside street, which are recommended to go from rx to ex, the central employment zone. The reason for this was we were trying to, to encourage a unified zoning pattern across both sides of burnside in that area. Both of the parcels to the west of these two are already in the central employment zone at the crystal ballroom and ringer's annex buildings. The change sort of in the eastern portion of the district, at the intersection of 10th and salmon, is a residential building recently acquired by the Portland development commission. The recommendation is a cx to rx central residential zoning change there. The one parcel on this map that the planning commission did not recommend is the portion over the i- 405 freeway between alder and yamhill streets. That was more procedural question than anything else. The planning commission, a motion was made to change the zoning to cx north of salmon at the planning commission. That motion failed. The bureau of planning recommendation had been for the zone change that's shown here at the very western edge of the district, so this is intended, should there be a freeway capping effort in the future, unified zoning across the top would facilitate that. Those are the changes. This is the resulting map, so as you see here, the blue is the central residential zone. The boundaries remain much as they are today. The pink is the central commercial zone. The boundaries remain much as they are today. And the purple, at the northern portion of the map there, remains much as it is today, just those really fairly minor parcels-specific kinds of zoning changes.

Katz: Okay.

Clark: So, there are a number of changes to the zoning code. I never planned to give you 109 page document here today, but what, what this all is based on, you will remember there was testimony in the summer. There was a fair amount of agreement about the south of salmon portion of the west end, and actually, you took action on a number of zoning changes south of salmon on october 24th. What we were left with them were the outstanding issues north of salmon. On october 24th or actually on october 18th, you endorsed a resolution, resolution 36037. That sketched the outlines of a regulatory strategy north of salmon, west of 11th. It was captured in a paper that we circulated at that time, and I have got a whole bunch of them if you are interested.

Katz: Why don't you --

Clark: Okay. Could you do that? There's a bunch of them. Generally what it looked to do was to differentiate parcels north of salmon and west of 11th into three different categories. One was under developed sites. Another was housing sites. And the third was sort of those sites that meet neither of those criteria. Existing buildings that are larger than some far threshold that are not. With housing within them. So, back to what's on the slide here. What you adopted south of

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salmon were some floor area ratio increases. 6-1, 8-1. Some new far bonuses that encourage residential development.

Katz: Why don't you give me the page for that, that we have adopted. 8.

Clark: Sure. Let me make sure that it's there.

Katz: But, it's, it's --

Clark: Actually, those changes are in, in the original planning commission document. What we did with this most recent document was take anything that has not been acted on, both the outlyings from here that you have not yet addressed, and the north of salmon, west of 11th. So, those actions in october were for the south of salmon area. Generally, they increased development potential. Largely, focused on residential development south of salmon as that area is, is picking along quite well as a portion of the downtown. So, that resolution 3603 7, we talked about a differentiation of sites in the area west of is 1th, north of salmon. Those sites, underdeveloped, residential and sort of the catchall, other, category. As we described it, at that time, in october, underdeveloped was defined as 1.5 to one far. That's a one-story building with a mezzanine, potentially. Under that definition, the underdeveloped sites were about 30% of the district. The residential sites were about 20% of the victim. Since that discussion with what's proposed in exhibit "e," the underdeveloped category -- the underdeveloped category is two-story buildings and it's 2.5, because again, we are trying to capture buildings with mezzanines. 2.5 to 1 is the threshold for underdeveloped definition. With that increase, we actually end up with 57% of the district qualifying as underdeveloped and that's the darkest shade on the map. That's now designation -- designated for zoning code purposes as type a sites. Type b are nonresidential buildings, 24% of the district now, and the type c sites actually haven't changed. They are 19% of the district. You also, one of the amendments that we propose in our most recent memo that responded to the west end steering committee requests is three sites should have been added on this page 99 map within the exhibit "e," and those sites are two half block church sites and then a quarter office building at the north end of the district.

Katz: Did we actually adopt the language for the conditional use on --

Clark: No language was adopted that floyd resolution 36037. What council adopted as far as conditional use goes is with the conditional use process for retail service and office uses in the rx zone, so that's a city-wide change, and what council adopted was striking one of the conditional use criteria that requires a finding that says, the retail sales and service or office will specifically be useful to nearby residents. It's a very difficult finding to make. 36037, that resolution in the middle of october spoke about how type "b" and "c" sites may redevelop as, as nonresidential buildings. It described a very conditional -- a stringent conditional use process. What's changed between then and now is that we found that what we had seen as very conditional -- stringent conditional use processes were actually more development standards. So, in this document, I will be there in just a second. For instance, pages 51 and 53. Items I and j describe the process that existing buildings would need to go through to be replaced with nonresidential buildings. This is either as a demolition and replacement or as a change in floor area use in the existing structure. So, the change is, first off, type "b" sites are allowed to increase their size to 125% of their existing floor area. What we had said in this agreement was that existing nonresidential uses would become conforming uses. We found that that was difficult procedurally, both for the administrative efforts of the office of planning and development and review, and just as a temporal issue, when was the change made and how do we track it. What we are allowing now, for the type "b" sites, is that 125% of floor area. What this means is, an existing building that's operating as a nonconforming, say office or retail use. May make an addition to the existing building without needing to go

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through any process, unless it exceeds 125% of the floor area or that building may be demolish and had replaced. Again, up to 125% of the existing floor area. If the owner of that site wish to say build over 125% and if an existing housing building wishes to replace itself with nonresidential floor area, there are ways to do that. First off, there needs to be a finding that residential square footage in the district is increasing, and proportionate commercial scare footage in these blocks west of 11th, north of salmon. Second, if housing has lost, there needs to be mitigation. As in there needs to be a new site or needs to be replacement unions. 8 those second and third bullets are and/or options. So, if the housing owner is looking to replace without housing, you either have to mitigate for the housing loss or you have to go through the conditional use process. Okay. Confusing, but I have covered t any questions on that one? I am sorry to do that. [laughter]

Katz: Keep going.

Clark: Okay. The other big issue in this process, other than land use, has been parking. There are five issues that I want to just touch on, and a couple of them will delve into more specifics. First off the planning commission proposed an far bonus for underground parking. You adopted that far bonus south of salmon so that's the first incentive for changing parking behavior.

Katz: Give me the page on that.

*****: Barbara, can you help me with that?

Katz: I am trying to find it here. I think I found it. 77. No.

*****: It's page 6 7.

Katz: 67.

Clark: So, you adopt that had south of salmon in october. The planning commission recommended a consolidation option for undedicated general parking spaces so once again we get into these parking designations, undedicated general is that most flexible and profitable type of parking. It's what many of the surface parking lots in the west end are. And it's kind of a first-serve, first come, first serve kind of option there. Planning commission believed strongly that the existence of those surface parking lots, first of all, they are quite profitable, and there is relatively little incentive to replace them with buildings when you look at sort of the income stream and the differential risk that one assumes in building a new building, versus operating what's already there. Planning commission believed that in order to encourage the redevelopment of these sites, that there needed to be an allowance to shift those flexible profitable spaces into a new structure. That's not allowed today. Today you rebuild on a surface parking lots and the right to the spaces go into a general pool. And the use of those spaces out of that general pool is rather constrained, relative to the other option. So, planning commission, in order to encourage the redevelopment on these sites made this change. The third item was one that was raised in testimony in the fall. It is a parking space bonus. So, it's not an far bonus. It's different. This is one that says, if you are rebuilding on a commercial parking lot with residential development, you may keep the rights to the spaces you are replacing, put them underground, and you will be awarded half again as many spaces as you are putting underground. This was an incentive to, again, try to get redevelopment on those surface parking lots.

Saltzman: That's just for residential redevelopment?

Clark: That's correct. The -- and that bonus, you asked us in november to put that together as a central city-wide parking space bonus. The fourth item, this is the minimum active floor area. There was a request that a number of provisions that were adopted at the end of the summer for the areas north of burnside and the pearl district and out into the northwest district to support activity around the streetcar and also sort of conversely to encourage -- to discourage inactive buildings, specifically teleko buildings at the time, the amendment request was to take those provisions and

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extend them south into the west end district, so this is where burnside today is the dividing line. The proposal is to bring them south to market street. The way that the minimum active floor area provision is written is that it applies 200 feet in either direction in any direction of the streetcar alignment. And the map that activates that is on page 89. And there's a second half of it on page 91, just because the district is split in half on the maps. I will go into that one in more specifics in a minute. Finally, there was also some testimony suggesting a, either partial or full exemption of system development charges for transportation fees for parking that's underground. And I will have some numbers that describe what -- how that would result. So, the parking issue, the planning commission's consolidation proposal. The planning commission envisioned a, a fairly clear scenario, and it was responding to quite a bit of testimony about some of the things that make it difficult to redevelop surface parking. Since that recommendation was made, the west end steering committee has proposed a different scenario for redevelopment of the surface parking lots and that's one of the reasons why this, that amendment is out there and I think that we are quite close to some agreement on it. So, I will just sketch sort of the different scenarios. On the left is the planning commission's scenario. What we are looking at there are four different surface parking lots, all half a block, just illustrative purposes. What the planning commission envisioned was a single structure built on one of those half blocks and that's the green structure that's shown at the top right. That structure will be built first. After that was completed, then the rights so the spaces from the surrounding three parcels would be allowed to be shifted into that area. So, you wouldn't have to close down three out of the four lots during the construction. You would keep that income stream going. After you have removed or moved the rights to the spaces to the parking structure. Then you are required to shut down those other three lots and eventually those other three lots are going to be, are going to generate redevelopment for the district and new vitality. So, that was the scenario under which the proposal was written. The scenario that the west end steering committee proposes is different. What they look at is incremental redevelopment of three of these four lots. So, the difference is that the first things that happen are on the three lots to the left of the slide. And so, those developments occur. The rights to the spaces on those lots are allowed to float. They close down that lot, rebuild the building and don't lose the rights to the spaces. When eventually, the market is right, and you have got enough spaces saved up, then you build a parking structure, that's the one on the far right at the top of the corner of the screen, and the rights to the spaces are moved across. So it's a very different scenario. Staff believes both are plausible. We're happy to support the amendment but we have some different language from what the steering committee has proposed.

Katz: And substantively in terms of the net effect to the, to the development patterns would not change? Just a matter of timing and flow?

Clark: That's the way we see it. Yes. Probably more detail than you really wanted to have, but I wanted to sketch that out so that everybody understands.

Katz: Gill, did you nod, as well?

Kelley: Yeah. Those spaces can disappear for a while. I think as the, the effect of it, so parking supply could tighten in the interim, but that's the principle.

Katz: In fact, that is what could happen.

Kelley: Yeah, but in terms of the ultimate physical development of the west end, it doesn't change.

Katz: Okay. Keep going, then.

Clark: The parking space bonus. This is the one that was testified and that we have developed in response to council's direction for the central city. The idea here, and I described it a second ago,

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you build residential and a surface parking lot, get to keep the rights to the spaces. If you put them underground, you can build half again as many spaces. That half again comes from a pool of 400 spaces. So it only lasts for a little while. But, actually, frankly, it's probably going to last quite a while. It will take quite a while for those to be used.

Hales: What happens when they are used up in that scenario?

Clark: My sense is the central city transportation management plan will have an update before that scenario, before we get there. I know I have heard different from you on a couple of occasions, so I think that the 400 spaces actually last a good long time. My sense, my gut instinct that the 750, the previous provision that allows to you shift, those might be exhausted before the underground 400 impetus is used up.

*******:** I am afraid you are right.

Clark: The minimum active floor area provision. This is the one adopted north of burnside. The idea here is that we extend it along the streetcar and also to bump out along the max tracks. Down south to market street. The provision is that 50% of the building has to be in active uses. Such provisions are already in place along the transit mall, both north and south of burnside. They are already in place along the max alignment throughout the downtown between morrison and yamhill. So, those two corridors are seen as an important corridor that required and deserved active pedestrian vitality and the idea here is that extending it south from the pearl district into the west end does the same thing. Finally, the system's development charges, this is kind of a sketch of what it looks like. So, for a recent parking structure, the economics of the recent parking structure were that in total, the system development charge, if you split it out across the parking spaces that were built, it was about 370 per space. So, just for comparative purposes, what is that \$370 per space in relation to surface above ground and underground park something if you are talking about surface spaces, that's about 8% of the total cost. If you are talking about an above ground space, it's about 2% of the total cost. Underground space is less, about 1%, and perhaps the most important figure there, the margin between an above ground space and underground space, about \$9,000. These numbers can be all over the place, so this is very much an approximation. It takes about 4% out of the differential for the cost of going from above ground to going to underground. So, it is not insignificant. What we have heard is that it doesn't get you there by any means. We do have these parking space bonuses that also help there, and so in concert, all of these things widdle away at the margin and at some point, they make sense. What we're told is that we're not quite there. You need some other justification to go underground than strictly these bonuses and this stc relaxation.

Francesconi: Did they really include the word "quite."

*******:** Oh, didn't quite get there. [laughter]

Clark: You know, I didn't record it. So, that's actually the end of my description of the zoning code language. I just wanted to go through briefly and describe for you specifically the changes from the resolution and the concept that was unfurled in october, and then the ftc is more sort of a snapshot of what the impacts might be as a fraction of the cost of going from above ground to underground.

Katz: Okay. All right. Are you finished with the slide presentation? Yeah. I will get to questions in a minute. Gill, did you want to add anything in terms of the summary? Does the council have any questions before we open it up to public testimony? All right. Let's open it up. I am sure that questions will come up afterwards. All right. Karla. Thank you very much. This is not -- this has not been a picnic for any of you. Appreciate the work that you have done.

Katz: You do. Okay.

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*****: We have always --.

*****: He's always opening.

Irwin Mandel: Good afternoon, mayor Katz, members of the council, miss moore. West end resident. Surprise, I have a suggestion about parking in the west end. [laughter]

Katz: Another one?

*****: Another one.

Katz: Okay.

Mandel: As an additional carrot to help convert surface parking lots to underground spaces, establish a west end underground parking development fund to be financed by a tax on surface parking lots. We can begin with a modest tax of \$1 per slot per day. Any property owner who wishes to convert a surface parking lot to underground parking can draw from this fund to help finance the construction. Mayor Katz and commissioner Hales have addressed the need for a regulatory tool to help eliminate the blight of surface lots. Should the fact greedy rabbits refuse to nibble at the bunch of carrots that have been made available, the rate of taxation can be increased periodically. Perhaps double each time. Whatever it takes. The council must remove from the west end action chart policy 22, west end item 43. The section that calls for three parking structures to be built in the west end. It is hard to imagine a more constructive policy. Above ground parking structures are an acronistic and arguably an even greater blight than the surface lots they intended to replace. The cure is worse than the disease. The entire central city should not be blighted with additional above-ground parking structures. I hope that the commissioners have not yet decided how they are going to vote and are really listening and willing to consider all the testimony. Thank you. Any questions?

Hales: Could you repeat the action item you mentioned in.

Mandel: Sure. It's west end action chart, policy 22, and west end item 43 in "d." 15.

Clark: 15 of the action charts. Thank you.

Mandel: Policy 22, west end, we-43. And out of that, just the one phrase that calls for three parking structures to be built in the west end.

Katz: Which action?

Mandel: We-west end 43. In my copy that I got earlier in the week. Page 15. 43. Here it is.

Katz: Is this the one that prohibited the construction of new and --

Mandel: Yes.

Katz: And discourages the continuation of existing service parking to create a separate pool of 750 undedicated parking spaces to be used in new projects in amounts of 250 spaces per project.

Mandel: Yes. My suggestion is that only the second sentence be struck.

Hales: I am just trying to understand what the effect of that is.

Mandel: We get rid of the council's prior approval of building parking structures in the west end. Don't forget these three spaces are not limited to north of three buildings. Parking structures. Are not limited to the northern end of the district. It could very well be constructed in the southern end where we really want housing and it's maximum. I understand the notion or the fact that we also in the southern end probably have a pretty fair number of surface parking lots that have to go. I don't believe that this is the route. I think that you can find carrots that have been dangled for people to use. I think that perhaps the one that I have just suggested, which was not in jest. I was quite percent -- quite serious about that. You have a housing fund suggested. Why not a quest end underground parking development fund?

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Katz: This ties, are you listening to me, and nod if -- this ties into one of the policies that we just referred, so you are flagging a policy that we will need to come back if the council wants to talk about. It's the item 43.

Mandel: Yes, it's item 43, the first sentence. That would be like being against the angels, against the first sentence.

Katz: Thank you.

Lily Mandel: Lily mandel, west end resident. On october 13th, 1999, my husband and I testified that the myopic west end vision plan was little more than a parking plan. Unfortunately, more than two years later, I have been proven right. My worst nightmares seem to be coming true. I will tell you my nightmares. I have a night mare. I see the west end lined with dumb park garages. I have a nightmare. Block 216 is converted from a surface lot to a 12-story gorilla garage along the streetcar line. How this improved the west end boggles the mind. You have a nightmare. I see the west end teaming with boo teak hotels. I have a nightmare, the entertainment district is crowded with a newark textural concept. Jazz clubs, movies, night clubs, theaters, are top of dumb park garages. I have a nightmare, I see the art museums surface parking lot on the park blocks have been replaced by a parking structure. I have a nightmare, I am choking on automobile fumes. I have a nightmare, I see the west end with dark, lifeless streets. Lacking jane jacob's eyes on the streets. I have a nightmare, the mayor's award for architectural excellence will go to garage architecture. I have a nightmare, I am riding on the streetcar and I pass dead buildings. I have a nightmare, in psu's new school of architecture, there is a specialty, garage architecture. I have a nightmare, the west end is renamed the parking end, but colloquially called the worst end. I hope when we all wake up, these nightmares will not be reality. Thank you.

Katz: Thank you. Thank you, lily.

Mike Allen, Presbyterian Church: Michael allen, 3605 southwest shaddock road, Portland. I represent the first presbyterian site, and they request that the site on morrison be classified as a type b site and if you look at page 99 on the map, rather than --

Katz: Hold on. Presbyterian go ahead.

Allen: Rather than the type "c" site, as it is shown here, a new conditional use master plan for this site has just been approved, and spells out an institutional use for the danmore site for building an underground parking garage with a park above it and eventually perish houses in phase two and three. As far as the danmore hotel residents, we built a replacement housing once for them, and there's currently in the process another replacement house for the current danmore residence, we have approval to tear it down. So inquire that change.

Katz: Change from --

*****: "c" to "b".

Katz: To "b."

Saltzman: You said you had the conditional use master plan approved by the city?

Allen: Yes.

Saltzman: So would the new zoning even apply to them?

Allen: Well, if we change it from a "c" to "b," it gives the church flexibility in the future, whether as perish house extension or some other option, and -- parrish house extension or some other option, and it fits better than a type "c."

Katz: I just want to ask the staff to make sure to comment on all these. Go ahead.

Virgil Ovan: Virgil, bpm associate, 610 southwest alder street. I am here today to land my support to the plan bureau's recommendation.

Katz: Which ones?

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Ovan: The one of surface parking lots. And I didn't mark down the page numbers. You would think that we would have it all memorized by then. However, the amendment lessens the amount of parking entitlements for older and historic buildings. We strongly suggest that the council act now to direct the planning bureau and other appropriate staff to examine the issue of preservation parking in the -- and the impact that this conversion of surface parking lots leaving the spaces undedicated in general has on the older and historic buildings. We also support the minimum active floor area proposal of the planning bureau, the parking structures next to the streetcar lines, contain no more than 50% parking. This goes a long way to support mixed use projects in the west end, an example of a mixed use project with no more than 50% of parking is the hilton executive tower project, located on the transit mall, and I think that that's a good example of what you get with that type of code in effect. Regarding the underground vehicle parking bonus, we have met with the planning bureau staff, who have been very cooperative and helpful. And sharing actual construction costs for projects that we have built and/or had proposed built. Comparing the cost of a low-grade parking and above-grade projects, our suggestion to planning bureau was to model a couple of projects, both below grade and above grade, take the results of that modeling process to a lender, and find out exactly what real-life incentives would cause that lender to finance such a project so that we can make a very intelligent decision on such an important issue. And this information could be valuable in developing incentives for underground parking that can actually be financed and built, and we urge to you continue to pursue bonus that is have real-life positive impacts in order to actually make this west end what we want it to be.

Katz: Are you recommending that all the bonuses and all the special code language to encourage underground parking be looked at that way or are you talking --

Ovan: What I have seen come to this point, the sdc charges and waiving of those, and other bonuses aren't in my mind, and through other developers that we have talked to, not enough to make it actually happen, and as a developer, we would love to build underground parking if we could make it pencil out. We are not saying that that's to boot, we just want to see projects happening. That's the business that we are in. So, I think if you actually model a project, take a project above grade, mixed use project, above grade spaces, what are the cost, below grade spaces, what are the cost. You are just going to get real numbers. Take those numbers and see what your rate of return is. Is it enough for a developer to do. You could actually apply values to the different bonuses and so you really have hard information in order to make a decision.

Hales: I like your suggestion. I think it would actually be a good thing for us to do more routinely. I guess that's something for us to discuss more. I have not been, I would love to operate on the assumption that we could create a bonus that was good enough financially, that it would, by itself, overwhelm that cost, construction cost difference, but I haven't been operating under the illusion that we could do that. And you are asserting, and I think you are right, that we haven't done it. The question is, in the whole cost of the project, not would it pencil but would it be bearable, and I guess that you have to take more than just the differential you described with the whole project. For example, although the financing of the fox tower, may have been unconventional, the project was financible. So, the cost differential was bearable. Right? Wasn't necessarily economic but bearable. And I guess something for us to talk about more, is, you know, how do we -- we don't get to overwhelm that or tilt that balance the other way. We don't have enough bonus, goodies in our bag to, to overwhelm that see-saw but might have enough that somebody who wants to go that way anyway will be a little more likely to.

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Ovan: And what my point, is if we are going to put parking underground, let's do it and figure out how to do it in real terms, in a way to where we are actually going to see it happen. And what my fear is, is we are operating without enough good information.

Hales: Fair point.

Saltzman: Your first point? I am not sure that I followed that. You are saying undedicated park will go hurt? The buildings?

Ovan: Our proposal, we have been testifying in front of city council before that planning bureau, is that with the removal of surface parking lots, with existing code, the spaces, parking spaces on the lots go into the preservation parking pool to protect the economic -- they actually become an entitlement of a bmc building that has no parking. What you are doing by taking those spaces and keeping those is undedicated general, you are actually taking away the entitlements from a building that needs those parking rights. And so that, that was an objection. At this point, we have been saying this for a year now and haven't gotten anywhere, so I was pointing out the fact that if the planning bureau's proposal goes through as written, or the recommendation goes through as written, then let's take a strong look at how we protect the viability of these older buildings and protect their parking rights.

Katz: You lose those space -- you lose those spaces to the preservation pool.

Ovan: Right. And 750 spaces actually, if you figure the .7 per thousand, you know, that's almost a million square feet of, of b and c buildings, that lose their parking entitlements. Or have the potential to lose their parking entitlements, and I think that, I mean, if the unwritten agenda here is to not support older and historic buildings, then this works fine.

Francesconi: No, no, that wasn't -- I am sorry to interrupt you. I got that part of your testimony. But, what I missed was during the last year and a half what you were actually proposing.

Ovan: Well, we were proposing and have proposed here at this table that our conversion of the parking, surface parking lots is that those are, our proposal creates -- we had a deq letter that, that originally said that this was fine to create a one-time 750-stall reserve for undedicated general spaces or for a new project in the west end, so that as you, you can draw on something other than the spaces that presently by code the rights of b and c buildings. And so it's actually, it's a bubble of spaces and I think that that's what the objection was to it.

Francesconi: So you are okay with the principle, as long as it doesn't come from the existing source?

Ovan: Yeah. I just don't think that it is wise to take away parking entitlements from buildings that are already --

Francesconi: And have you gotten deq permission for that idea? The deq okay that had?

Ovan: We had a letter attached to the testimony that came to our amendment that was, that was in your packets at the last council meeting.

Francesconi: Thank you.

Saltzman: Do you know what the number of those spaces would be in the west end? The spaces in the west end that are presently used by historic buildings?

Ovan: Well, currently, and the reason it is working now, of course, is because of the number of surface parking lots in the west end and those buildings now have the ability to park basically, the customers of the parking lots are, are commuters or employees of those b and c buildings in the west end. I'm not sure what the number is, though.

Saltzman: Any rough idea?

Ovan: No. We can certainly provide that for you.

Katz: Okay. Questions, further questions? All right. Thank you.

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Jim Westwood, President, Park Blocks Foundation: Good afternoon. I am jim westwood, 3121 northeast thompson street. President of the park block's foundation, a volunteer organization committed to the division, that the blocks immediately to the east of the west end between salmon and burnside will one day, as the founders of Portland dreamed, become public space. In that connection, I think it's important that we remember what gale kelly said to the council last year when there was a proposal that would have rezoned the west end, and I remember vividly gill saying, please don't do this to me. The council listened. And the proposal that succeeded that was for mixed use residential, included. I think it's very important that residential space be an important part of the west end development. The reason is, that in the great cities of the world, people lived downtown. They live in the middle of the city. It's important to the cultural but also the economic vitality of the city that people live downtown. They need to have front yards. If they are in a confined space, in an urban area, having open space nearby, perhaps mixed with retail, commercial, but certainly heavy residential area, makes for a viable community. For that reason, the park block foundation believes it's important that there be significant amount of residential commitment in the west end and that the council's plan, the plan currently before the council does that, the substitute plan does not. So, I am encouraging the council to vote for the, the plan before it.

Katz: Let me be clear. The plan before the council --

Westwood: I am sorry, when I say the plan, the one before the council was the substitute, ion right now, is that correct?

Katz: Right.

Westwood: I believe the council should defeat that, and go with the planning bureau's recommendation.

Katz: The planning commission?

Westwood: Commission, I am sorry, yes. My terminology is off. The thought is there.

Katz: So, it's the conversation on sites "a," "b," "c" that you are referencing?

Westwood: Yeah, it has to do with the overarching notion of whether the west end should be --

Katz: I am trying to identify the issues that we dealt with that respond to you, and that is --

Westwood: I apologize. I am vague on that.

Katz: I wanted to clarify that.

Saltzman: You are talking about the original planning commission's recommendations at the very start?

Westwood: One that came after gill kelly said, please don't do there to me, the council didn't do it to him, and what they did not do to him was a good thing, and so that's what it is for.

Katz: Thank you.

Westwood: I hope I haven't confused everyone too much.

Hales: You confused at least me. What are the differences you are most concerned about?

Westwood: The major, it's, again, an overall rather than a specific thought that I have on this. As the west end developed, I would like to see certainly some commercial use of that area. Some commercial use. But, because of the fact that commercial could overwhelm the residential use of the area, I think that it is important that the council continue to focus on, a long range plan that includes people living downtown, walking there, being there around the clock.

Katz: It's the, I think -- see if I am correct. You are referencing the maps, areas where additional uses are allowed in the rx zone?

Westwood: Yes.

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Katz: And you are absolutely right. That was changed later on to allow for more mixed use and commercial development, and some of us are not terribly happy with that. And some are. But, that's what --

Westwood: But, I think that it's important that residential be the primary thought in that area.

Katz: Thank you. Okay. This was a crafted compromise.

Katz: So I am asking both of you who I now recognize, well, be a little bit more specific in terms, some things we have adopted. Some things we haven't adopted. We could change our mind at some point. But, you need to be very specific, if you want us to hone in on where you want us to change our mines. Okay.

Ian Slingerland: Sure. Ian slingerland, I am providing keg testimony on behalf of the tenants again, and I will be talking about type "c" properties and the ability of the properties to be converted to other uses. And say we are troubled by aspects of this compromised proposal for the area north of salmon. Because, the new flexible zoning allowed by this proposal will encourage the loss of existing affordable housing. And we are particularly concerned with the new ability of owners of existing housing, the type "c" properties, to convert that housing to nonhousing uses. The recommendation allows for the conversion of existing housing, to other uses in two ways. The first option requires owners to meet both development standards and housing mitigation requirements. The housing mitigation requirements would work to preserve or replace existing affordable housing by providing some disincentive for conversion and requiring housing replacement, site donation or affordable housing preservation in instances of conversion. But, these housing mitigation requirements, while they are good, need never be met. Because the second option allows owners of existing housing to convert to other uses, by only meeting the development standards and going through a conditional use process. And the conditional use process does nothing to protect or replace existing housing, let alone serve to preserve affordable housing. So, we have set up housing mitigation requirements that are good, but will likely never be used. The development standards insure that there will continue to be as much housing in the area as there is now. But, they do nothing to insure that any of the housing is affordable, and do nothing to protect existing residents of the neighborhoods from the consequences of the give-aways being considered today. At the very least, conversion of existing housing to nonhousing uses should always require that development standards and housing mitigation requirements are met. Thank you.

Katz: Thank you.

Jacob Brostoff: Jacob, 831 southwest vista, apartment 104. I am speaking on behalf of myself. I would echo ian's comments regarding the possibility of affordable, existing affordable units slipping through the cracks over time, and propose a vision of the neighborhood that involves the neighborhood becoming, having more mixed income but not by the elimination of existing housing units or the existing ones. Also, want to speak briefly to the issue of, minimum active floor area. I think that that's a great idea, I think that that would be very helpful for, for the neighborhood to insure both that market for the streetcar continues to be successful. That new uses don't outcompete existing older buildings and the uses in them. And that the neighborhood continue to grow in vitality and support the existing vitality that's present in parts of the neighborhood. For example, the burnside triangle with, with significant amounts of active pedestrian life. And finally I want to speak in support of the addition of the burnside triangle to the entertainment and cultural map, and with that, I will be quiet. Thank you.

Jan Wolf, League of Women Voters: Jan wolf, legal women voters. Can you hear me?

Katz: Yes.

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Wolf: We find this proposal to be fundamentally at odds. The proposal, the new proposal or the compromised proposal that the bureau and the, the west end steering committee hammered out.

Katz: The site a, b, and c's.

Wolf: We find this proposal to be fundamentally at odds with the city's wonderful vision for the west end. It also is at odds with the conclusions reached by those that have studied our downtown, including our planning bureau and commission, and the advisory council of experts. Each of them has emphasized that a significant residential population on the edge of downtown is critical to its success. The proposal, however, would allow developers to side-step the residential requirement in the very area of the west end that is most proximate to downtown Portland. Key transit lines, the main library and other cultural amenities. The only tool left in the city for preservation of the residential character of this area is the conditional use process. We fear that this will lead to block-by-block battles, all of the avalon over residential versus commercial development. These battles are very painful for all involved, including you, city council, and we could well have results detrimental to the district. We should, instead, reinstate the minimum residential density requirement and close the loopholes included in this proposal. The provisions for replacement of affordable housing units eliminated in the west end also need work. We question whether it is appropriate to put the burden on the city to replace affordable housing redevelopment. If you remember, we recommend the addition of a requirement that replacement units must be constructed and available for occupancy before demolition of the other units begins. This way, the disruption caused by multiple relocations will be avoided. We also urge you to carefully track these replacement transactions. The replacement project must be counted only towards fulfilling the replacement requirement. It can also be counted a second time towards affordable housing goals in the replacement area. For example, the danmore is a low income residential building in the west end that will be demolished and replaced with new low income housing in old town. If those new units are counted towards both the west end replacement requirement and the housing goals in that district, will suffer in the low income housing. We understand that compromise often is necessary in the political sphere, but there are also times that we must hold fast to our vision. If it is true that our downtown success depends on a significant residential population at the edge, then let's make that happen. And we dare say, what is good for downtown Portland will be good for west end property and business owners. Let's not give way to the political pressures of the moment but establish firm development guidelines that will achieve the desired end. Finally, we recommend that you put an end to the district-by-district battles, take a fresh look at the central city plan, and recommit ourselves to the comprehensive vision for Portland.

Katz: Thank you. Anybody else want to testify? All right. Steve, did you want to start off?

*******:** Actually, I go last.

Katz: Who goes first? Wait a minute, who goes first?

*******:** I will just say a couple of brief words.

Katz: You go first.

Greg Goodman, Co-chair, West End Steering Committee: I am greg goodman co-chair of the west end steering committee, and I would like to take this opportunity, I was been a long process that people have been through over four years, and you are going to hear later on from steve and you have already heard from graham and gill about a couple of issues that remain, and what I don't want to have happen is overshadow what's been accomplished, because we have had, what I would consider to be a tremendous working relationship with the planning and I think that this effort goes to show that the private sector and the public sector can work together to get something that is great for everybody concerned, and can get some projects done, and I think that the west end, with what's

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been recommended before you, is going to really turn around and be something that the city should already be proud of, that we are going to be able to build on what it already has, so I would like to thank the city council. I think that you guys offer a lot of direction and you directed us back to work together and gave us the opportunity to work with graham gill and the other members of the planning commission. They did a really good job, too, in giving us direction. On a personal note, it's been, it's been a real pleasure to be able to chair the steering committee with michael powell. Michael is, to me, a great visionary, and he's a real asset for our city. App played a good and strong role. They were an excellent facilitator and brought a lot of people to the table. This process, while I said has gone over four years, has also involved hundreds and hundreds of people.

There's been a lot of testimony, so it's been a very good public process. And rob moss and directed that association for Portland progress and he deserves some accolades. He did a great job.

And then lastly, and he doesn't know that I am saying this, I would like to compliment steve siegel, who the steering committee hired through app, tremendous voice and reason, great asset for our community, and thank you very much. So, thank you, everybody. And michael.

Michael Powell, Co-chair West End Steering Committee: Very briefly. Michael powell, co-chair of the steering committee. I, too, have a nightmare. [laughter]

Powell: The nightmare is, I appeared before st. Peter and he says, you can go straight to hell or back to Portland and finish the west end. [laughter]

Powell: The scary part of it, in my dream is, I can't figure out which choice to take. [laughter]

Powell: But, I want to echo those thoughts, and thank you. It has been a long process and an educational one, and one of the wonderful aspects is once you start this, when you are in your 20s, but unfortunately you don't, but you learn a lot about public process and the process in each one of these planning processes has different characteristics. Certainly the stress and the debate on this one characterizes how much people care about this area, and, and a lot of people do care very intensely about this neighborhood. And share, I hope, in large part, a vision for its success. I hope to see it. Revitalized, and share some of the excitement, but not necessarily the same kind of excitement that's happening north of burnside. That it provides the jobs and the housing. The Portland -- that Portland so badly needs, and that this neighborhood becomes a fully contributing part of the success of downtown Portland. I welcome the work that's been done with the planning bureau to achieve this compromise. Ly I hope today is a day that it finally gets passed. I know that there is a couple of lingering issues but I am very optimistic that we brought a quality product to you and that this is good for Portland. Thank you.

Katz: All right. Staff, come on up.

Francesconi: Well, wait, steve. [laughter]

*****: He's the closer.

*****: Used up my time again. [laughter]

Steven Siegel, West End Steering Committee: Steve siegel, 3787 southwest Portland. As you know, we have three specific amendments that are now being passed out. One of which has already been superseded by what the staff -- the staff has done. I would like to go through those briefly, and make sure that I understand what they are and why we are proposing them. The first one deals with the undedicated journal parking, and this is new language that earlier graham introduced, which is different than the one that I have here. We are fine with the language that graham introduced, and what, what this does is just to clear up an ambiguity, if you will, in, in the timing on the one, on when you have to apply for the, the ccpr permits. So, that was just the language clarification, we're fine with, with the bureau planning's new language, and I will leave it tax unless there is more questions. The minimum act of floor area, is, is certainly kind of the hard

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issue of the day here, and I would just like to go through why we're proposing what we are proposing. First of all, I think that everybody here agrees that we want active uses in the west end, so the question isn't the objective. The question is, how do you get there. And I guess what we have to start off with is the assumption that there is no one-size fit all solution. So, in the pearl district, we had the notion of the active floor area around the streetcar line and what that does is to prohibit telekos, which we are fine with, and also to prohibit staying in the one garages, and that's where the problem comes in. In the west end, we have a, a slightly different approach, as we see it, to how we are trying to accomplish active uses. First of all, something that hasn't gotten mentioned much yet today is there's a, a code provision proposed, actually, by us with the planning bureau has agreed to it in their recommendation. Where there's a special restriction on ground-floor parking. Ground floor parking. Where, it's limited to one space per 5,000 feet of site area, so a full block can have 8 parking spaces on the ground floor, half a block floor. That is special provision that we put in here to insure that you can really have active uses on the ground floor because the way the active use works, in our judgment, is it requires you to have a 25-foot shell, and that's good for certain uses, like starbucks and others, but not for other kinds, and we figured by, by reducing the amount of parking permitted on the ground floor, it actually gives you better retail or active space on the ground floor. And so, there's been some mistakes where people have said, well, you are opposed to active uses on the ground floor. We have a special condition for active uses on the ground floor.

Katz: Your time is up. I will let you, with council approval, let you continue, but, you have one more item that, right?

Siegel: Yes. Let me just finish this one and I will go to the other. The other one is quicker. The second thing, of course, we are trying to do is get active uses by relocating undedicated journal parking spaces into lots. What that does do is open up the spaces, or space to develop active uses on the formal surface lots. That is the approach we are trying to take here. The problem with the active floor area is if you look at map, the map 510-11 on page 593, what you have got to realize in the area north of salmon, there is only a couple of sites that allow a garage, and that, so we have this notion that we are going to try to relocate surface spaces into a structure, yet there's no place to put that structure, other than on the freeway and a couple of, a couple of sites. By the way, for the people that are concerned about what happened south of salmon, minimal residential density still applies, so you can't have just a structured parking garage there. You will have to meet the residential density. So, this is really an issue that, that affects the north of salmon area. Just a couple of quick things. We tried to look at, well, what if you took all of the spaces and tried to relocate them inside buildings? Remember, commercial buildings have 9-1 maximum fars, and what you see is maybe, maybe you get 60 spaces on a quarter of a block. Maybe you can get 130 spaces on a half a block. But, the bottom line is, you can't relocate very many spaces into buildings, and I think that everybody agrees that people won't be relocating commercial spaces into residential buildings because of the inconsistency.

Katz: Keep going.

Siegel: So, we have proposed language to get around that problem. And that's why it's proposed. Lastly, small lot bonus, very simply, we now have a plan which calls for, or permits commercial building. It's just as hard to build a commercial building on a small lot as it is a residential building. We figured once you got -- now that we are trying to force the development here, why don't we take advantage of that far bonus for commercial space.

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Katz: Okay. Thanks. All right, let's have -- if there are no questions, let's have staff come up and gill and graham and barbara. Come on up. There are a couple of issues that keep coming up over and over again. Let's take -- let's take the request on the danmore first.

Katz: Then let's take the whole issue of the "a," "b," "c" sites and I think I hear primarily discussion on the "c" sites. Which are residential sites that have to go through conditional use process but no guarantee that they will be housing replaced and here we are working on no net loss housing. I need a little discussion on that, and that's what I heard. Then there's the whole issue of parking, the one issue that we just heard with regard to the teleko hotel extension and the 50% of active use in parking garages. And then there was the recommendation that we take a look at some, some, put a model package together and to see if any of the bonuses on the parking would, would pan out, whether that's something that the council is interested in doing. And then there was the issue of the preservation spaces and what we have done to really hamper that. So, and anything else that I have missed.

Hales: Well, and maybe elaborate, too, if we could, and that is if mr. Westwood's critique, or mr. Overan's critique is accurate, and the bonuses that we now have won't be effective. In getting parking underground, what other options might we consider?

*****: Okay.

Kelley: Okay. I am going to ask graham to help me out here. I guess we will take them in the order --

Katz: I don't care which order. I think I covering and I think that hopefully you can respond to everything, or anything else that I missed.

Kelley: I think that if you are going to continue to accept the logic of the abc sites scheme, which was our way of coming back to you in october, after the initial direction the council gave us that they would like to see more flexibility for nonresidential uses. That scheme made the best sense to us given that direction for balancing. If that logic would dictate, if first presbyterian has actually succeeded in getting demolition approval, characterizing that site, not as residential but as, as an "a" site, I guess it will be --

*****: About.

Kelley: Excuse me, about site. We changed the lettering on some of this as we have gone along here.

*****: So, that -- yeah, that would follow the logic of this proposal.

Sten: For people who might not be tracking this. The church owns the danmore hotel, which is a low income motel. The church replaced it across the street, and this is more for the audience, in saying why would we want to protect housing and move this out. Because they weren't ready to proceed, they did a very good thing and allowed central city concerned to use the hotel. It's full again. The city is replacing it a second time with some additional unions so, for a change, for once in the life, we will gain units on this new, new -- that's underway, and we will be finished before the building is knock down, and so this is a very special case. It's not a matter of doing one hotel a license to be knocked down, the church is doing the right thing in terms of the affordable housing.

Francesconi: So it makes sense to do this?

Kelley: It follows the logic of the scheme that we have put in front of you. So it's one less for sure housing site, but it's, it's, it falls into that second category.

Hales: If we didn't do that, they would have to replace it a third time. [laughter]

*****: Right.

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Kelley: Well, just to clarify, it's our read that because there's an active demolition permit and also a conditional use that's been approved, although I am not sure the appeal window is closed. That the church would still -- they would already be, have their development entitlement to go in there without housing, but --

Hales: This makes it a conforming decision.

Kelley: With regard to the abc types, there was some discussion on the part of, I think both inferred by mr. Westwood and on the part of the league of women voters, questioning the notion --

Katz: And two young men.

Kelley: Yes, that's exactly right. Questioning the notion of whether we will have sort of a cascade of block-by-block battles over whether the "c" sites remain housing sites or not over time. Our initial thought, and this was shared, I believe, by the representatives of the steering committee, that we would make that a very high hurdle to cross. There are limitations in our own zoning ordinance, and how that's applied in terms of the, the criteria in process that may not make that hurdle as high as some would want, so that's really gets back to a policy discussion or decision by the council. That could be eliminated, and just continue to require sort of one-for-one mitigation, a replacement as opposed to a conditional use that would allow you to opt out of housing entirely. It does him the flexibility for some projects, but that's clearly just a policy choice.

Katz: Let me poke a little bit. Let me just say that I never liked the type "c," but we had a discussion, and I think that the council sort of felt that they might be a compromise and then the bar was the conditional use. Right? So, talk a little bit about how the bar -- how the bar works in terms of maintaining the housing. It doesn't look to me like it's a very high bar. And can you make it any higher?

Clark: Yeah. The way that the bar works, for type "c" sites, if somebody wants to take their housing, replace it with a nonhousing building, they first on page 5 1, there's a development standard that has to be met, and that is, there has to be a finding that the residential area has increased over commercial floor area in the district, since the date of adoption of this regulation. So, there has to be new housing happening in the district, and it has been to be happening faster than commercial redevelopment in the district, in order to even get in the door for an argument that your housing should be replaced with commercial. Okay, so that's the first hurdle, and it actually -- it's a way of assuring that we are getting residential development in the district. The sites that don't have to meet that requirement are the type "a" sites, the underdeveloped, which are allowed to do whatever they want, and if the type "a" sites choose to build commercial, then this bar is pretty tough because you, you then, there's got to be something else that is generating residential, new residential development, before you can even have this --

Katz: Even though, those sites are not residential?

Clark: Correct. Yes. So, that's the first bar, and we see it as, we're very hopeful that residential development will be happening on these blocks. And the west end steering committee has also expressed a desire to see residential development on the type "a" sites. Part of the way we thought that we would get there is we are limiting the potential, the development potential for commercial buildings on the type "a" sites. We are saying you can only be this big, residential development or mixed use development can be much bigger, okay. So, we are trying to create an economic leveling of the playing field, such that there will be residential built on the type "a" sites. So, anyway, that first, that first bar is fairly substantial, we believe. For housing sites, then, if you meet that piece, then you have the option. Either to mitigate for lost housing, or to go through the conditional use process. And the whole, the key word is "or" there. So, you have the option, if you

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have met that bar about residential over commercial development in recent years, then you can either mitigation for the housing lost. You can contribute a site. You can fix up existing units, or you can make sure that the new units are built as part of your project. Or, you can go through the conditional use, which is frankly, not as difficult.

Katz: No, that's what I was referencing.

Kelley: I think the policy gets back, still to, whether your judgment is whether the current portions of housing versus other uses in the district now is adequate because that becomes the baseline. Even as you move forward. For the first hurdle that graham was discussing. So.

Sten: Well, I guess the problem is, as I see it from the people testifying, I tend to agree, is that you can't do this completely with zoning but if the or, conditional use, which I hadn't realized until they called that to my attention, is that much easier, what you are facing is, as long as the district develops expensive housing, it's going to be relatively easy to knock down the low income housing because that's what's there now. And there's nothing in it, so, I mean, what else could we do?

Kelley: This doesn't protect on the basis of price, at all.

Sten: And you are saying we have no choice but to offer the conditional use option or can we take that option out of there?

Clark: Removing conditional use option.

*****: You can take it out.

*****: It is an option.

*****: It's an option, yes.

*****: And the reason for that is because all of these new options that are being created or being proposed here are new options. We are not talking about new regulation that restrains what people already have. We are talking about other outlets.

Sten: And my understanding -- at least my intent, I can't speak for the rest of the council, but my intent of the kind of split approach to underdeveloped sites versus developed sites was to try and protect the housing that was there. Not to -- wasn't strictly -- my legislative intent was not strictly to keep the overall number of housing units regardless of what type they were, was to try and discourage knocking down the existing housing in favor of, of something else. So, for me, I did not enough to say that there's just any housing.

Kelley: This one was meant to go to the exceptional case, and I think that even the steering committee would, would acknowledge that, that this is not the underdeveloped sites. This is the house, sites that are currently in housing. There might be an exceptional case where you would want the flexibility of not replacing on-site. But, you know, clearly, again, this is a policy choice for the council to make. You could remove the conditional use option here and the rest of the scheme would stay intact.

Katz: And the rest of the bar would stay intact?

*****: Yes.

Kelley: The bar would then be -- the requirement would be you would have to --

Katz: We would have to replace it.

Saltzman: The bar is higher, you were saying, than the conditional use itself, right?

Clark: Yes. That initial finding, unless there's a whole lot of residential development happening in the district, is, is going to be the, the difficult one to get past.

Katz: Where's that language?

Clark: The language is at the bottom of page 51. Actually, about two-thirds of the way down. So, it's the first item under letter "i." and it's an equation. The rob marciano floor area is increasing

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faster or has increased faster than the commercial floor area. You are allowed to build whatever the difference is. In commercial.

Katz: Okay. So, well.

Sten: My inclination would be to take the conditional use path out.

Hales: What's the affect of that?

Sten: Basically means, if I -- help me if I am wrong. Quite possible. But if there isn't -- if, if residential isn't outpacing commercial, you couldn't get there anyway, but it would take away the option of when residential is outpacing commercial, knocking down existing housing to put in commercial. You could still knock down existing housing, and put in new housing. Because there's -- but, from my point of view, it just -- the sort of, the intent of the deal was existing housing, and underdeveloped sites get more room to, to do what, whatever the market demands, and so to me, it keeps it cleaner.

Katz: I would agree. All right. We got through that one.

*******:** That's one.

Kelley: All right, that's one. That's a good one. On the parking, the underground --

Sten: Thanks for catching that.

Kelley: On the underground parking, my gut sense is that exactly what commissioner Hales alluded to. We probably don't have enough requirements we can wave to make up that differential in the cost of going underground with parking.

Hales: That's not my question. I accept that there's not enough. My question is, what else can we do.

Kelley: Exactly. So if you start from that point, then what else can we do? And I think that that is one of the questions, for me, is an economic driver and ought to be part of our downtown development strategy work. It's not something that we can bring a fast answer for. I think that if we modeled the waivers or the development regulations, we would come back with exactly the same answer that you have already arrived at. We need to look at, really, look at investments or financial incentives, and I think that that's, that's something that we need to do within the context of the downtown development strategy. I don't think that there's going to be something that we can write or not write into the plan amendments or the zoning code at this juncture. But, I want to leave you -- I don't want to leave you with the impression we don't remain naive on that point. I think that's exactly right. Underground parking is in our view, the long-term view of the district but it's not going to be an easy thing to realize without some additional -- to realize without some additional financial incentive or investment, that will make that possible. That's my own opinion about it.

Francesconi: I agree, I think you can only tinker around the edges.

Hales: Or award behavior that would have happened, anyway.

Kelley: The development strategy is looking to make some catalyst projects happen, and if you would like us to think about that component as being an important component of any of those projects, we might advance. That's good direction to have. I think. Going into it.

Saltzman: Didn't we do that with the brewery blocks?

*******:** A major investment.

Katz: We made an investment, and we know that the major infrastructure investments for us to make these things happen is to -- is to pay for the parking slots.

Hales: And has been, anyway.

Katz: Has been in the past.

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Hales: Didn't pay for it in fox tower. I am curious, already some property owners who are going to do this anyway.

Katz: Yes.

Hales: What can we do about that? Can we provide them an incentive to do more? Can we let them use up a resource that would otherwise be up for grabs? Think about that, please.

Kelley: I meant to use financial broadly, not that is we pay cash in every case.

Hales: Some people will do this anyway for their own reasons. What do we do when they do that.

Katz: All right. Let's talk a little bit about the preservation space, go ahead. You have got all the issues. What did you want to talk about?

Kelley: That's the next one on the list. Because there are only about three people in the world that really understand the cctmp, graham appears to be one of them. [laughter]

Kelley: I am going to let him field this one but let me just frame the question again, which is a two-part one. One is a request from irwin mandel that we simply delete that provision, that the planning commission had forwarded to you, which would create flexibility by, by allowing approximately a third of the spaces that are now in that preservation pool to be pulled out and put into the more flexible format that's been described to you. The second suggestion is to, rather than deduct that number, from the pool, to essentially add an equivalent amount back into the supply, so that you have both, in effect, and that, I would also like graham to speak to from his background. That sort of ups the total number there, so.

Clark: So the first one. [laughter]

Clark: Mr. Mandell suggested that we strike a sentence from action we-43. So, that would, that would change -- should you strike that action, you would also need to strike the zoning code language that supports it, so I just wanted to be clear about that. The planning commission put that together because it saw the surface parking lots, the continued existence of surface parking lots as, as a very economically attractive proposition for those who own or operate them, and it looked to break that, or at least incent the change from that that operating sort of methodology by allowing the consolidation, so, they saw the consolidation as a means an end. They weren't particularly enamored with new parking structures created to consolidate the spaces. They, instead, saw the creation of new development sites as their primary objective.

Katz: And so what happens to those preservation spaces for "b" and "c" buildings?

Clark: The preservation spaces, the 750 spaces that the planning commission proposed are taken from what today would go to the preservation pool, I am sorry, the parking reserve, which is about 2900 spaces for the whole downtown core, about 2000 of which come from the west end. Okay, so what in the -- the 2000 that would have gone in the west end to the pool instead now becomes 1250, and the 750 are kept for the consolidation of the spaces. So, mr. Oval had some implications, as far as how that impacts class "b" and "c" buildings. We do believe that that has an impact of class "b" and "c" buildings but don't think it's any time in the near term. So, the 2900 spaces, if you sort of extrapolate out was has been being built for preservation parking spaces, it doesn't start to hit for another good five or eight years, given a good economy, and it's probably quite a bit longer, actually, given sort of the way that things are today. But the 750 spaces that the planning commission had envisioned, first I would like to describe mr. Mandell talked about three parking structures. What the planning commission said was of these 750, no more than 250 can go in any single structure. So, it could be that the economics dictate that yes, anybody who is building a structure would want to take all the 250 at once. Doesn't necessarily mean that you actually get three structures. If somebody wants fewer than that, you could end up with five or six smaller

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structures scattered in more parts of the district. I am kind of losing where I want to go with this. [laughter] .

Katz: You think you have got a real negative response behind you. So, from three, we have grown to five or six. Smaller ones. [laughter]

Clark: But, I do think that it's important to clarify that because the planning commission did not say that you are going to get three out of this. It said that you are going to get -- should these 750 be used, you are going to get no fewer -- they will be distributed among no fewer than three garages. Okay. Help restate the question for me? I dug myself a hole, didn't i?

Saltzman: We are to the point that the "b" and "c" is not an issue pressing now, so if we want to deal with it, are you saying that we wait until this mysterious thing comes up again or -- or do we deal with it now, and anticipate it as a future problem and deal with it now, which is what planning is all about.

Clark: Let me go back in time a little bit and speak for another bureau who I know is represented and rich cassidy may want to speak for pdot. Their standing has always been, don't make these changes in a small district. Make them with a more global view of the downtown core through a cctmp update. Don't look at such specific narrow issues without looking at the impacts elsewhere because the, the preservation parking pool can be used any place in the downtown core, taking these 750 and saying, they will be kept in the west end should anybody use this, impacts what's possible elsewhere in the downtown, and that, and the people who would be impacted by those choices haven't necessarily been a part of the conversation. I do believe that the downtown development strategy, as mr. Oval suggests, should be a place where we look at the impacts to the class "b" and "c" office buildings. The preservation pool was very specifically developed to help protect the economic futures of the class "b" and "c" office buildings.

Katz: So, let me -- before you go. The planning commission in an attempt to discourage the continuation of surface parking lots or profession of surface parking lots, said that's fine, we are going to take 750, and you just build parking structures and you don't have to build them -- you don't build them tall. You build them small. And you can build more. You can't build less than three.

Saltzman: And they have to all be in the west end.

Kelley: Correct. You could, I think you could always consolidate the incentive to consolidate was to borrow some of that from the preservation pool to combine their, so -- to combine there. So the suggestion that was put on the table is whether we keep the preservation pool number intact, but add sort of a new supply. A new supply of parking that would be equivalent to the amount the planning commission suggested, that could be constructed newly in the district.

Katz: But there are two issues. There's that issue and in their attempt to discourage surface parking lots, which we all feel very negatively about, they are really encouraging a profession of smaller garages.

Kelley: Well, I don't know that --

Katz: Am I wrong?

Kelley: Well, you would get more garages than you have today, but you would have fewer surface parking lots, so it's a more -- they looked at it as an efficient use of the land question. No new net parking increase, but the parking that is there is in a structured form. And they would incessant that to happen partially by borrowing from the preservation pool.

Katz: All right. And you have to decide whether that's a good tradeoff.

Saltzman: And how many are being borrowed from the preservation pool?

Clark: 850 of the 2000 approximately in the west end that would otherwise go to the pool.

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Francesconi: But then this also gets to that other requirement that we are coming to. As to whether 50% has to be active use, so you almost have to look at these two together, I think. Because if the 50% requirements are in place, then you have a lot more active use, too. But, it also may be harder to actually build, right?

Clark: Yes, that's correct.

Kelley: The two little diagrams that graham showed about sort of how you consolidate those buildings, the, the active use requirement, technically the 50% active use near the streetcar and light rail lines would mean that in that newly consolidated building, you could consolidate that many parking spaces but it would also have to house at least in half of the floor area more active uses. Without those, then you would simply be parking --

Katz: Parking structures.

Francesconi: So, we can't have everything in nine blocks or 11 blocks of the west end. We have to make some choices here. I think. And unless we want to eliminate parking completely. So, you know, the idea of creating some incentive for eliminating the parking lots, that are empty and allow something consolidation as to the way the planning commission makes some sense to me. I don't want to do that, but I also think that we need active use along the streetcar and along the light rail line. But, I don't want to do this at the expense of preservation parking. Now, what you -- because of the economics, the importance to "b" and "c" buildings. Because of what you just said, that it's not immediate problem to preservation, I think that I am okay with waiting and not mandating 750 because of your argument that it's a city-wide thing. But, I guess if -- I hesitate for too much the development strategy. But, if, as long as you can assure me that this "b" and "c" building, and the preservation parking can be looked at, because it's fine with me to add another 750 to that pool, if it's necessary for the "b" and "c" buildings. Economic -- am I making any sense here?

Kelley: Yeah. And what the number is, I don't know. But, I guess one question for, for graham is being one of the few people that understands this, is there a replenishment function to the existing preservation parking pool?

Clark: No. The concept behind the cctmp was that it creates a pinch in the parking supply, and that pinch happens as existing surface spaces are eventually consolidated into preservation parking structures. So, the deal that was struck at the end of 1995 was we have a fixed number of spaces that can become preservation parking spaces. Now, new development, either residential or commercial or anything else, can generate its own new spaces. They are called growth spaces. They support the new floor area. But, the number of spaces that are either preservation or undedicated general are fixed.

Kelley: So, in that regard, if you do support the planning commission proposal, independent of the active use question, it would be a fair question to look at in the downtown development strategy, whether if, this provision is activated, up to a total of 750 spaces so, that they become lost from the "b" and "c" buildings, in effect. How many and how quickly and on what scheme we would replenish that supply up to the original.

Katz: Because you would be adding another 750 opportunities.

Saltzman: But the goal would be, to replenish those?

Kelley: What I am hearing, is the goal is to not overly harm the "b" and "c" buildings.

Francesconi: That's the goal.

Katz: And keep the number of spaces somewhat limited, so you don't -- I mean, it's --

Kelley: Keep it limited, yes.

Katz: And keep it limited, yes, that was the whole purpose in 1995.

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Clark: Right. Two of the key criteria that you need to weigh that against, if you want to create new spaces out of those that are not now considered are first off, there's an air quality issue, and that probably we would kick in a state and federal review of the impacts of the new spaces and the air quality impacts that they would bring. The other question is, to what extent can the existing transportation infrastructure support the vehicle trips to and from those new spaces. So, it's a complicated thing.

Francesconi: I understand that, but we have deq, in the short-term, I trust there is this letter but the other instruction that is we should give to cmts, transportation -- the parking policy, when we review it, it should include the whole central city, including what we are just doing to the west end. So that they can view what we have done here, as well. Because I don't want to just punish the "b" and "c" buildings if, in fact, there's a deq problem. Does that make sense?

*****: Yes.

Katz: Do I hear any more conversation on this? Do you want to leave this as is, but let's tie this, I think that I heard commissioner Francesconi say that he's willing to leave we-43 with the understanding that there has to be on the parking garage, 50% active space. Active use.

Francesconi: Well, that's the next issue. I mean, I kind of tipped my hand. We'll talk about it in just a minute.

Katz: Remember --.

Francesconi: I didn't understand until yesterday that these two provisions were closely interrelated.

Clark: There is just another parking issue, and that is that one of the west end steering committee requests is for an amendment to the language of the planning commission consolidation proposal. The amendment is to allow that second scenario where you build incrementally on a number of different parcel and is eventually consolidate the structure.

Katz: Right.

Clark: The way the language sent to you went, was it can happen within five years. The amendment request is, that, that the central city parking review is completed and the authority is given within five years. After the ccpr is completed, the developer has another three years to actually build and complete the structure. We have no -- we don't contest that change request. And we actually, I do have language that we have put together that we feel better meets the intent.

*****: We are almost there.

Katz: I know. All right. Let's -- do you want to say anything about this?

Clark: Pretty much, what I just said, is what happens. We -- this is largely what the planning commission proposed, except that now people are allowed to do it in reverse from what the planning commission expected. The end result is pretty much the same. The steering committee request is just for sort of more temporal, flexibility and making it all happen.

Katz: Okay. Let's get to, I think, there were two other issues, but let's get to the one that I think has created a little bit of a stir and that's the 50%. I was the one that recommended the extension of the teleko policy along active transportation corridors, if it made sense, north of burnside, it would make sense south of burnside. And, you know, as we all talked about the credible financial commitment that we have made to the streetcar, and the reluctance now, as I understand the three parking lots, could certainly be more than three. They are smaller but could be more than three. So, it's probably even more critical that we have you active use of 50% and keep the policy consistent, which I think that we wanted to do anyway, but sort of ignored historically ignored that issue. So, that's, that's where I am. I have to tell you, I feel very strongly about that.

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Kelley: I am not sure that we have a lot more to say to clarify. I think that it's, it's a point of departure between what planning staff has recommended and what the steering committee --

Sten: Could you give me your sense on the argument that at one point there has to be somewhere to put a garage? You know. I mean, that's what I find the most compelling argument. I think that it's, it's almost impossible to argue with the notion that we want active uses on the streetcar so, I believe that, but when I look at the map, I think that the steering committee has an interesting argument that there's three blocks left, which don't look like the likely place to say put a garage. So, the result of not having active uses, or of having the active use rule on the streetcar line is that we don't get rid of the surface parking lots, rather than allow one or two garages, or something, you see. It seems like an idealistic side but there's also a pragmatic side, so what's your view on that?

Kelley: Well, we have made it more -- tried to create more incentives to consolidate parking, in general. You are right, as it plays out on the ground, there is a real constraint in where you could put a full block garage, as opposed to a partial block garage. In any case, that would require a ground floor active use in the district, what we are really talking about is having where it occurs next to the streetcar line, which is where, looking back at the map, there's at least --

Sten: Which page are you on there?

Kelley: Um, yeah, there's a page 89 shows the area where these regulations would apply, and then I think that probably that abc map is the best one to look at, on page 99. I think is the one that actually gives you the, the --

Katz: Which one?

Kelley: Page 99 kind of shows you the, the "a" sites are the undeveloped, or underdeveloped sites. This active use requirement would apply in this area but as well, the area to the, the east. So, within a full block of the streetcar line, so those sites aren't depicted in the same manner, that's why I am referring you to page, to page, what is the other one, graham? , to page 89. And that would show you where the active use would require. You would have to kind of put these together a little bit. So, to answer your question more directly, commissioner Sten, I think that it is, it puts an additional challenge in front of someone doing a whole garage, in other words, they would have to do it in many places in the west end. In a format that would be not typical of garages. It's becoming more typical in Portland, but not absolutely typical, that is to say you would have parking above an active ground floor use and then additional active uses on top of it, for example, or you could have two floors of active use and then two floors of parking or you can sort of go up. People are getting very creative about that kind of format in Portland. There are other places in the west end where you could do a full block garage with only an active ground floor. Those would not be next to the streetcar line.

Hales: Those are going to be west --

Kelley: Toward the west.

Clark: West of 12. That's correct. The other thing that I wanted to say is that the question as you posed it, commissioner Sten, is it reasonable for us to have places where we can build full-on parking structures, and I think that that is an important question. The other thing to remember in this, is that the planning commission's proposal allowing people to consolidate their parking, is a very significant change, and the way that I phrased it in some commentary I sent last night, is that the significant new opportunity for parking consolidation, the floor area requirement is also -- put in there, is that the planning commission's new allowance is coupled with an expectation, you are going to build a building that contributes to the vitality of this portion of the west end district. And so, it's not just a question of, can we build a parking structure anywhere. Because really, you can,

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but you have to make sure that it's contributing in a very real sense to the district's vitality under minimum active floor area requirements.

Saltzman: Can I throw in maybe a twist here?

Kelley: I was going to say, the spector of having one garage with a single active floor is one thing, having several is, something different, too.

Francesconi: Can I follow up on this point a minute or do you want to go, commissioner?

Saltzman: I just wanted to throw in one twist here that I would like some feedback on, if, if we accept maybe the notion of the west side steering committee, one size doesn't fit all, and erik's point about you need to have the possibility of having parking to cat lies the redevelopment of the surface parking lots. Does it make any sense to look at the concept of saying, rather than 200-foot restriction, a 100-foot restriction, so, and in other words, a half block would have to be the 50 pest floor area throughout the development but then, 100 feet off the line could be ground floor, only.

Clark: I have actually done a little head scratching on in that idea. It's my belief, what that does, because the demand for parking is really, it comes from the downtown core to a large extent, it's not really the west end. The west end operates as almost a parking colony for the downtown core. If you say only 100 feet from the streetcar alignment, and the demand is from the east, you are most likely to get those structures on the easternmost edge of the downtown core, or of the west end district, which is right up against the mid town blocks so, my sense saying 100 feet would nearly facilitate the structures up against the mid town blocks which I think that, has very serious ram physicians. -- ramifications.

Francesconi: That's what I am worried about. My problem is, I don't know what's actually going to be built, and that's -- you don't know what's going to be built. And the developers don't know what's actually going to be built. So, gill, you just said in response to commissioner Sten's last point, that, you know, one parking garage is one thing. Multiple garages is another thing. See, what concerns me about this, is it could be multiple. On the other hand, one parking garage in the right spot even closer to the streetcar line, depending on where that is, I might be all right with. But, opening it up to more than one and plus, I don't know if it's one right next to an existing parking garage. Having the galleria surrounded by the parking garage doesn't interest me but having, if that parking garage is eliminated, the old one, if I know what we are really looking at, and if I know the surface lots are leaving, you see what I mean? If we are actually in a development situation, as opposed to the theory that we are trying to guard against now but actually building the district, so, I guess my, that's a long way of asking, under the -- it sounds like we are deferring everything. But is there something under a development strategy where you could look at this 50% requirement? Anew. I don't want to create a new conditional use process, I guess. But, you see what I mean? How do we get at what we are actually building?

*****: That's a vague question.

Kelley: Well, it is the question that's underlying a lot of this stuff because we can only prescribe so much of the future through zoning. I guess sort of thinking back to this question about how would we prescribe a different, maybe a different rule that's in here, and I am having trouble doing that on the fly. But, I guess the default mode for me would be to recommend that you proceed by imposing the active use restriction and allow us to look at that question in the development strategy, if we find the need for a garage. That can't be supported by additional active uses, other than the ground floor that we could come back to you and make our case about that. But, I think that I prefer you settle the question one way or another today, in the general sense. Because I think that it's true that as we have liberalized the parking rules in the west end under this proposal, there is some danger, particularly given the notion that the lucrative parking market is really in the

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downtown, not in the west end, that we will end up with parking structures along the streetcar line.

Katz: Okay. I assume by your, by your silence that we're okay with the 50% active use. We are okay with the planning commission's recommendation. We are okay with the danmore change from "c" to "b." we are okay with all the items that we went through from the policy statement to the urban design map to the housing action strategies for the central city from the west end to incorporate the central city, the cultural and the entertaining map, the action items, the ramus action items to defer to the downtown development strategy, changes to the zoning map, type "a," "b," "c," standards, or I can't remember if we voted on those already or not. But, did I miss anything?

Kelley: There's the request by the steering committee for, on the small sites, to --

Katz: What's the impact of that?

Kelley: The planning commission has said that for small sites, less than 15,000 square feet in site area, they are difficult to develop and that we ought to, as an encouragement to get them redeveloped. Allow additional, or bonus --

Katz: What do you think of that?

Kelley: Far and height. We, we, and that was applied when it was rx and wasn't the liberalized set of uses. We carried that forward as a housing incentive, housing only. The steering committee has requested that be applied to commercial uses, as well.

Saltzman: Building a quarter block commercial building has challenges, too, doesn't it?

Kelley: It's clearly, if the goal is to assist small site development, that will make sense, if, if the, the countervailing -- not countervailing but the second goal in the process had to do with giving relatively more incentives to housing to kind of level the playing field so, it's sort of where you come down on which of those questions is most important.

Hales: I am interested in this one because I think that, you know, you look at the difficulty of the sites, and frankly, I won't open this question now, but their sites in the rest of the central see, there's a piece over here by standard insurance, with a chain link fence across the front and gravel on it, you know. I would love to -- and folks, the nice things about those little sites, is you can't build parking, you know. You have got to build a building. Unless somebody figures out a way to put them in with elevators which they are still talking about.

Kelley: I agree, and from one, one of the points that I was clarifying with graham as you were starting, was whether or not this, this extends or violates the height agreements that we have put in place for buildings. The 150 feet for commercial and up to three, something, for residential. My understanding is those limits would remain, so given that, it's not as big of an issue for us.

Francesconi: And it's limited to the small sites, I guess I didn't understand that before. It's the small sites.

Katz: Council wants to do that, and we will remove the conditional use on-site, "c" sites.

Sten: Right. And mayor, I had, is that the last one?

Katz: I think that that's the last one.

Sten: I had one more suggestion that I want to check in with them on that I probably should have done before but I don't think that it will be controversial. There's three incentives that we offered for affordable housing, well, actually for any housing development, and the south side, which was quickly the extension of transferred development rights, meaning if you choose to keep an existing affordable housing, any building, they tend to be affordable but you have excess development rights, you could use those somewhere else. They would then take it away from that site so, it's a way to try and give people some value for not, not knocking down a building. It's already in the south half of the district. The other one is a four-area ratio bonus for low to middle income

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housing and then the third was, was a bonus for contributions to affordable housing. It allows people if, they give money to an affordable housing fund to get floor-area ratio. We did this on the south side. It's happening on the north side. My suggestion, although it's not normal process, is to extend it to the whole central city. It's 100% incentives, and in talking with the planning bureau, they had thought that these were good ideas but that the process of bringing it forward for the whole central city would be nearly impossible. I think that it's a preservation tool with the existing housing, as well as a chance to, to push a little more housing throughout the central city, so I wanted to --

Hales: We might as well do it for this.

Sten: It exists south and will in north of salmon. They won't be controversial because they are not takings, they are givings, ought to be extended the central city.

Katz: We wouldn't be violating notice on this? I just want to make sure. Okay. And you are all right on that?

Clark: Yes, we have spoken with the office of planning and development review and they have no disagreement with it.

Katz: So we will have language.

Kelley: We can do a giving without notice.

Katz: But let's try to make a taking a giving and then we will be all right. You don't have language -- well, you will use the same language that we used on the south sides.

Sten: We have the language, so we can circulate something to show people. I apologize for not getting it sooner.

Katz: You want us then, and I think that we have covered everything, barbara? Did I leave anything out?

Sack: No.

Katz: Okay. Graham?

*******:** We can see that the language has changed with the last three items, changing from the west end to central.

Katz: To the central city. Graham, we didn't leave anything out? All right. I will take a motion, then. On accepting the, the substitute, what's the number now? Whatever the number is, as amended.

Saltzman: So move.

Hales: Second.

Katz: Roll call.

Francesconi: Is this the final vote on this thing? [laughter]

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

Francesconi: I am just going to maybe be brief, very brief. What we have just done has been very complicated. I bet it has been hard for the audience to follow because it has been very hard for me to follow. But, the issue of the vision and the importance of the west end, as demonstrated by the testimony and some of the conflicts over a four-year period, say was one of the witnesses say. This is a part of the city that we really care about. And we really care about the west end because we really care and take a lot of pride in our central city and downtown as one of the best in the country, and we really care about our central city because we love this city, whether we are residents. Whether we care about jobs. Whether we care about primarily the low income. Whether we care about business or commercial. We love this city and this is very important part of the city so it's important that we take the care of this part of the city that those that came before us have done to take care of the city. I kind of, specializing happened to me when, when, some

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growth happened in me, I think, when I listened to the experts testify, and it wasn't that they are magic you bring in outside experts, but, it's just the care and how important this city is to us. But also, the image for the future. So this city is changing, whether we like it or not, and it's really important that we try to do our best to shape it in a way that those that after us can benefit from us, as much as we are benefiting. So, there are a couple of keys, and they all played out in this west end discussion. One is, is that it is very important that there be residential, and mixed residential. We have to take care of our low income citizens, and I appreciate the advocacy primarily of commissioner Sten to look at this on a, on a central city basis, which we need to extend to a city-wide basis. To what we are going to do about our most vulnerable citizens. But, we also need market rate housing, and that was the first conclusion that was raised by the ace experts. Now, the developers of the west end steering committee agrees with that. It's a question of kind of how you get there. And what are the tools. And the truth is, it has not been adequate development during the best economic cycle that we have had. So the question really becomes tools, not vision. So, we need to do this in a way that I think we found a good balance here. Jobs is a central issue, and always will be for our city. But, I do believe that it's healthy residential will support the job creation that we need in our central city even the most. Then we also can do more on the commercial side. We heard that from the ace experts. We heard it from the steering committee. And how we continue to integrate our commercial for the next generation of jobs, I think, is really important. And parking needs to be part of that. The streetcar and transit will become even more important as we go forward. But having some parking for a central city employment is important, and then finally the cultural institutions that we have and building upon them with the art museum there, the symphony and the opera trying to locate in this part of town, and I think that that's good. Including the burnside triangle as part of the cultural district was a good way to handle this. But, the combination of residential, commercial, and our institutions, anchored by revitalized urban spaces and park block five, o'bryant square, linked with an exciting mid town scheme, can really make this area pop and be integrated as the way pioneer place is done, so this is all good work. The process took a long time. I was really encouraged with, with what both gragg greg and michael powell said. That, it's an effort of coming together with government. There's been some sharp disagreements but we need to stop criticizing people's motives and focus on our interests, and our interests will disagree, including this last issue that we had here. But, we love our tee enough that we can come together -- we love our city enough that we can come together. One request that I have of the west end steering committee that we need your help in kind of talking about the importance of the planning and the city's role in planning. And gill's role in planning, city-wide. On some issues because we can't go through this kind of planning process. We need a more, a more unified approach as we deal with macadam and the central city, as we deal with the rose quarter. And other parts. So, I look forward to your continuing help. Thank you, planning staff, for all the work that you have done, for the flexibility you have shown in trying to work through this. But, thank you, my last thank you is really to the advocates, on all sides, for continuing to have confidence that, in the form of, in, in city hall, not us up here, but that you can make a difference by coming here. That's what I am trying to say, and that together we can shape the kind of central city and city that we want. Aye.

Hales: Well, I share in those thank yous. The definition of a good deal is nobody's happy, is I don't see any really happy people out there right now. [laughter]

Hales: But, I am glad that michael powell, I hope that michael powell has a long life but I am glad that he can have a shorter conversation with st. Peter than he might otherwise. We are finally going to make a decision. I think that we have all learned in this process, or some things have

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become clear, to me, what has become clear is that even in the best downtown in America, and even with all that we have done with rail transit, there actually are three stages to getting the kind of development that we want -- three stages to getting the development that we want. The first is regulatory, and we have been back in that sand-pit with this discussion. Prohibiting the bad stuff, the nightmares that we don't want. That's one necessary condition. The other is, building infrastructure for livable city, instead of for Atlanta. And we have been doing that, but folks, we have got surface parking lots along light rail. Along the original light rail line. They are still there.

Okay. So, the third step is, and we have got a dead commercial building at the 100% corner of the streetcar and light rail. The Galleria. So, the third step is a combination of partnerships and financial incentives and tax policy that, that causes property owners continue vest in what we want.

Can't make them do it. We can make them not do the bad stuff. We can build the infrastructure so that, we will hope that they will build the good stuff but we can't make them. The brewery blocks is an example of how we can get to the right result but it cost us a lot of money. And that's one way to do it. And I would like to do more of that. But we have got to figure out how to increase the clarity of that third part of this effort, and Gill, I don't know what a development strategy is, but sounds nice.

*****: But, but.

Hales: I don't know what it is, but if it increases the pace at which the property owners that are sitting here and others who aren't, convert surface parking lots to real buildings, then that's what we have got to get to. We are not there yet. And I guess what I think that we have learned in this process, the conceit that Portland was lodged in for a long time and I think that this planning director gets it, is that we could get there with regulations. We were wrong. And then the belief among the rail nuts like me, was that we could get there with building rail lines, and we were wrong, and Hollywood proved that. Even if downtown parking lots didn't. So, we have got to get to that third ingredient, and it's going to vary from place-to-place and property owner to property owner and neighborhood-to-neighborhood and we are not going to be able to do it all with tax increment money any more. So -- with tax increment money any more. So I am glad that we have that clarity, at least if me, I am happy to have that but it is also daunting. If you can't get to that third point in the best downtown in perk with the kind of public policy agreement that we have in the record that we have in investing in transit, it must be really hard. Can't do it in Portland, Oregon, if you can't do it easily in Portland, Oregon, it must be really hard. So, we have got our work cut out for us, you know, in getting to that result. Because that's what we all want. We all want that, that environment along that streetcar line, and in our downtown. So, I think that for me, the best part of this long, painful discussion about regulations has been to know that we can't stay there. Aye.

Saltzman: Well, I think for me what even, you know, stopped me from sort of having the knee-jerk reaction of the world is going to end for housing downtown, if we consider changing nine blocks from rx to cx, was based upon the strength of the people who came before us and said, this is an idea that needs to be done, and these people were implementors. They are not all property owners in the district. These people are people who have done great developments throughout the city. Housing, commercial, environmentally responsible developments, and they are the ones who take the risk. They get the bank loans. They leverage themselves to make these things happen. And they are citizens of the city and care about the city, just as much as we all do. So, I think that, and that still carries through. We have come up with, I think, some good compromises. I think that we have done some good things for preserving affordable housing in the downtown and now, in fact, city-wide. So, this was been a lot of good things that have emanated out of this process, and

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including this final product, itself. But, I think that there's also been some sort of this -- the idea that, you know, no longer should we consider citizen-inspired ideas or citizens who may represent a particular constituency ideas that somehow only the planning commission or only city commissioners or the planning bureau can be the font of wisdom on what's good for Portland and what the vision is, and I think that that's wrong. And we all think that that's wrong, I think. Citizens have come up with a lot of great ideas over time, and it's our job to listen and to advance those ideas, as commissioner Hales just points out, we can do all the zoning in the world that we want, we can do all the public investment that we want, but, we have got to listen to the visions and the people who implement those visions, and so, I think that we have done that here. The proof will be ultimately in what gets done on the ground. But, I am confident that we have laid a good framework for good things to happen. Aye.

Sten: Well, you know, if zoning is overrated, it's not under argued and we have proven that. We proved that this year, or however long it has been. But I think that we found the right middle ground, and actually, I don't think that it's a middle ground because that implies that you had two sides arguing and split the difference. And I think that we, through the course of the many arguments, came up with a better strategy than certainly what exists now, and I think that better than was proposed in any step along the way. I think that that was spurred by citizens and property owners who had an idea, and basically, owned the property and said, look, nothing is happening here. The fact that nothing is happening in the west end is pretty hard to dispute. That, I think, led to some pretty good analysis by affordable housing advocates and others, but if you do this across the board, we could lose some things. And I think that this new approach that we came up with that protects the housing as best that we can, and I think that it's always important to remember that we have lost hundreds of units of housing under the existing zoning scheme, so, no zoning scheme saves the housing. It's action. And I think that coupled with this, which we passed months ago, was, and again, it will take action, it could be empty words, but whether the commitment from the Portland development commission and the tee town on a no-net loss housing strategy and I think if that is pulled off, along with some new mixed use and commercial development, we could actually have the kind of district that we are all thinking about along the streetcar line, which is there now and we ought to make the most of it so my hat is actually really off to everybody who worked on this. And I know that on a staff level, was not easy to be in the middle of these thing, and, and it was a long time so, I appreciate the steering committee, the west end steering committee, greg and michael and the planning bureau and the affordable housing advocates. The cultural district advocates, legal women voters and all the people who paid close attention to the details, even today at the final hour, we improved it just a bit, and I think that now maybe we can get out of the way and take this under overrated zoning and see if we can actually build something. Aye.

Katz: Well, maybe because I am the senior of all of these, I have a little bit more patience than my, my younger colleagues here. [laughter]

Katz: I think that something was starting in this part of town. We saw it in the north in the brewery blocks and the book end, the museum place. The streetcar, when we started talking about this, there was no streetcar. There was a vision of a streetcar. We now have a streetcar. And so, the theories in Portland really go, if you are caring about a neighborhood and you provide the transportation, magic will happen, and I was willing to wait a little bit longer than, than most of you for the magic. I was willing to accept the planning commission's recommendations. I thought that they were wise. I am very nervous and was very, continue to be very nervous about losing zoning. But, it's interesting, what happened as the result of the discussion about losing housing, we, in fact, adopted a no-net loss policy, so that was a good thing that came out of this exercise.

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And some incentives for affordable housing. So, I want to thank the advocates and the community members and the council members for that. Just want to add, this is not about parking. This is about a neighborhood. This is about people who live in a neighborhood, and this is about people who walk and now have an option with the streetcar. This is about a community, and for all of you who have come down here to listen to us, thank you, and I hope that what we have done today is going to provide you a more livable neighborhood and in a better place to live with a lot more options for you. As well as for those who own the property, who want to develop it, who had a difficult time, and maybe now can do something for the community to better this part of the city. Thank you everybody. I vote aye, and we will now need to vote on the next item.

Katz: Roll call.

Francesconi: How many of you want to give the same length of speeches for each of the items?

Aye. [laughter]

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

Katz: I now need to thank the staff, barbara, graham, gil, I don't know who else in the audience, was working on it. And betsy in my office, who kept after me on the "c" sites over and over and over again. So, thank you very much. Yes, this is a little convoluted process, and I was the one that stated that probably this is not the best way to do planning. We ought to do it a little bit more in a comprehensive manner, I think. Mrs. Wolf from the league of women voters recommended that and we are going to be talking about how to proceed next for the future in a better planning process. But, you have worked hard to try to please a large constituency with different ideas, and I truly thank you. And now you are onto more work. Aye. Everybody, now you can clap. We stand adjourned. [applause]

At 4:28 p.m., Council adjourned.